



# THE INDEPENDENT

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WEATHER: Showers and sunshine

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The Tabloid

## Suzanne Moore: What is a whore?



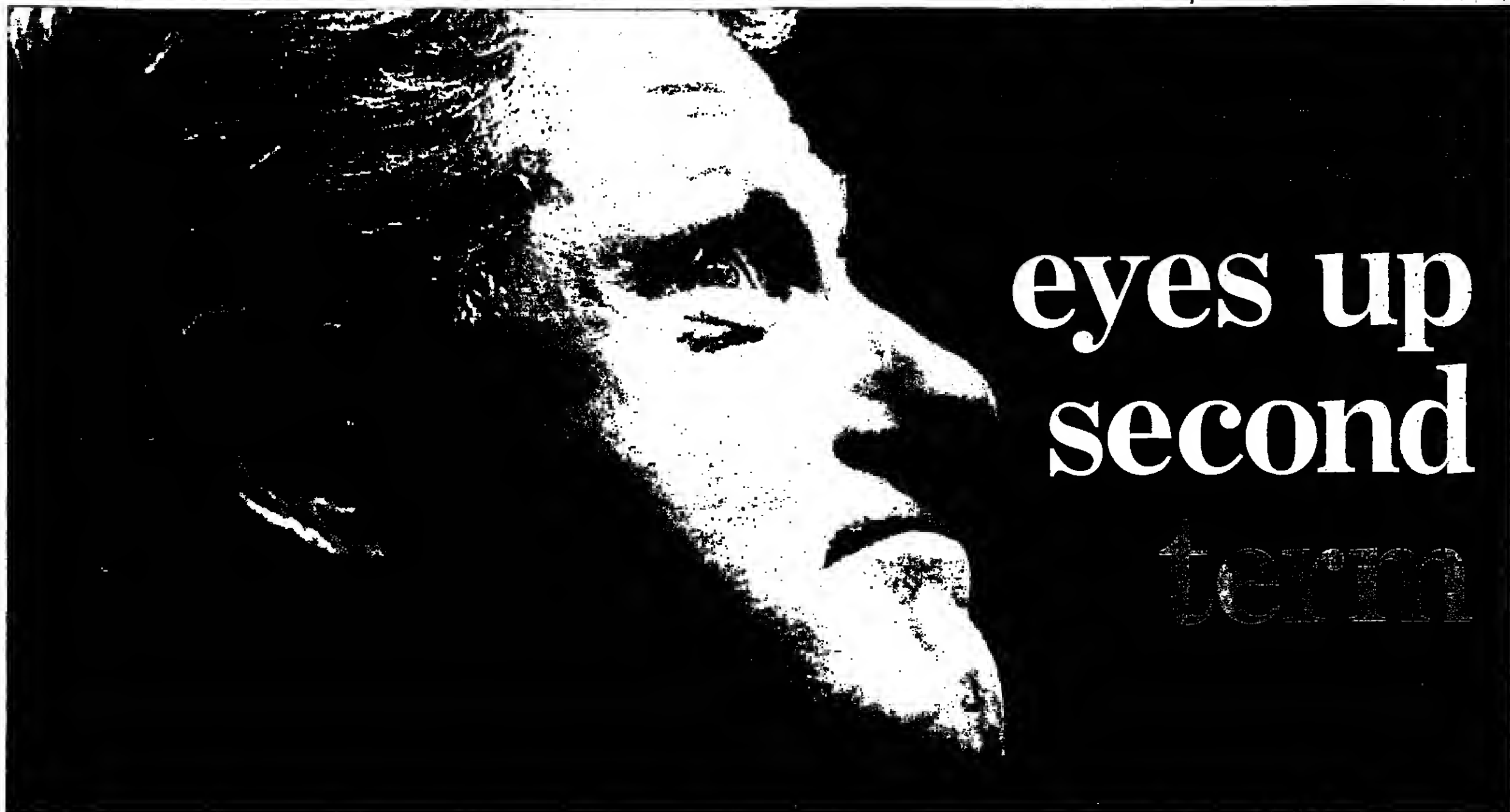
The Tabloid

## Bridget Jones: Betrayed again



Comment

## Polly Toynbee: Who needs defence?



# eyes up second

## term

Rupert Cornwell  
Washington

Bill Clinton seemed on track yesterday to defeat his Republican challenger Bob Dole and win the US Presidential election, thus becoming the first Democrat since Franklin Roosevelt in 1936 to win a second successive term in the White House.

The last batch of election day opinion polls showed the 50-year-old President with a double-digit lead, enough to translate into actual votes to give him a handsome majority in the 538-member electoral college which technically decides the outcome of the vote.

Though a string of Democratic campaign finance scandals have stirred fresh doubts about Administration ethics and cut into Mr Clinton's once over-

whelming lead, the mood was euphoric as the Presidential plane carried Mr Clinton back to Little Rock, Arkansas, in the early hours yesterday to cast his vote in what is the final election of his career.

An exhausted Mr Dole returned to his home town of Russell, Kansas, to vote in his last election after 43 years in national politics. "It's uphill, but it can be done," he declared after casting his ballot, the final moment of a draining 10,500 mile, 96-hour round-the-clock chase through 20 states for votes which wrapped up his campaign. "I feel a little nervous. I never voted for myself before as President."

To win, Mr Dole needed what placards at his final rallies were proclaiming as "The Upset of the Century". One encouraging sign however was a

poll showing Mr Dole had narrowed the gap in Ohio, a Mid-western state without which no Republican has ever won the White House, to just two points. But a final-day Gallup poll showed Mr Clinton leading nationally by 52 per cent to 41 per cent, with 7 per cent supporting the Reform Party candidate Ross Perot.

Though the Texas billionaire has hardly moved beyond single figures, a late surge in his support at the expense of Mr Clinton could hold the key to Mr Dole's hopes of capitalising on concerns about the President's character and securing an upset that would eclipse any in American political history.

To the end Mr Perot has lambasted the White House over ethics and campaign finance, warning that Mr Clinton could be indicted. "We are on the verge of Watergate II and a constitutional crisis," Mr Perot declared as he went to vote in his home city of Dallas. "Why would you even think of voting for a President who violates the law, doesn't tell the truth and doesn't keep his promises?"

And yesterday brought more embarrassment for the Administration, as officials conceded that the Indonesian billionaire James Riady, whose Lippo group has made large contributions to the Democratic party, had made more than a dozen visits to the White House over the past four years, during which he discussed US trade policy with Mr Clinton.

Assuming a Clinton win, and

if the Republicans retain control of Congress, this development further ensures that the Democrats' seamy campaign finance record will come under intense scrutiny in the months ahead. Indeed a host of unresolved scandals and ethics issues are the darkest single cloud on a second Clinton term.

But if there seemed little doubt over the outcome of the Presidential contest, the battle for control of Congress was set to run late into the night. Just before lunch, the Dow Jones index was 50 points up, reflecting Wall Street's growing belief that the Republicans would preserve their majority.

On the Senate side, where the

Democrats need a net gain of three while defending four highly vulnerable southern seats, change is unlikely. The House of Representatives, where the Democrats must win a net 19 seats and 73 first-time Republican Congressmen are defending their seats, is still a toss-up, but Republicans believe that a public desire not to give a "blank cheque" to Mr Clinton and the Democrats will keep them in the majority. If so it would be the first time since 1930 that the party has kept control for more than two years.

Meanwhile the expected post-election changes at the top of the Administration were

taking clearer shape. According to White House officials, Mr Clinton's chief of staff Leon Panetta wants to step down. Among others not expected to serve in a second term are the Secretary of State, Warren Christopher, Attorney-General Janet Reno, and perhaps also William Perry, the Defense Secretary.

In the first results, announced just after midnight yesterday, the two New Hampshire hamlets of Dixville Notch and Hart's Location came in for Mr Dole, by 31 votes against 20 for Mr Clinton and five for Mr Perot. US elections, pages 12 and 13. How will Clinton fare? page 16

## In Roosevelt's footsteps

Inside: US Election Special

Taste for re-election, page 12  
Cynicism wins, old warrior, page 13  
Rupert Cornwell, page 16

## But is the Comeback Kid in the FDR class?



Roosevelt: Architect of the modern Democratic Party

He looks set to be remembered as the Comeback Kid of all times. Two years ago, a second victory for Bill Clinton seemed inconceivable. Yet long before yesterday, it had already become inevitable. If, in addition to Mr Clinton's return to the White House, the Democrats win back control of Congress, then Mr Clinton's achievement will be doubly astonishing, matching that of Franklin Delano Roosevelt.

At first glance, that comparison looks feeble. After all, FDR was the architect not only of the modern Democratic Party but of the modern presidency as well. Seizing the opportunity created by the Great Depression, he forged an alliance between the two great blocks of voters who hated the Republicans: white southerners who could not forgive them for winning the Civil War, and northern immigrants who saw them as a discredited, self-satisfied Protestant business elite. It was FDR's

great achievement to weld these improbable partners together under the leadership of progressive intellectuals.

But that coalition has been falling apart since the Vietnam war and the civil rights revolution tore away great chunks of traditional Democratic support in the 1960s. The task for Mr Clinton was to hold on to the remaining bastions of Democratic support - among them blacks and other minorities and a majority of women - and attract as many other voters, and especially southern and western white males, as possible. That, to a remarkable degree, he has achieved, and that is how he has won a second term. By this test, Bill Clinton is far from puny.

As a campaigner, Mr Clinton is in FDR's class. As a politician, he has been far less successful. But the difference lies less in the two men's tal-

ents than in how the context of American politics have changed. Party machinery has atrophied. Candidates campaign in the media and largely with paid advertisements. That costs money - hundreds of millions of dollars - and Republicans have more money than Democrats.

In any case, FDR wasn't truly the FDR of legend. His personal glamour and his political skill, not to mention the prestige he acquired later as the architect of victory, obscures the fact that the New Deal didn't really work. It was the war, not the National Recovery Act, that ended the Depression.

Nor was FDR in all respects the noble figure his admirers presented to the public. Like Mr Clinton, he had his sexual peccadilloes and his political skeletons. In those days the

press did not write about such things.

But Roosevelt was more than just a man who won elections. He saw that the president's strategic strength lies in the fact that he is the only leader all Americans vote for. He alone can reach out over the heads of politicians and interests alike, portraying himself as "the president of all the people".

Americans in FDR's time were full of righteous anger and long-term optimism, full of dreams of building a more prosperous society at home and a safer world. Today they are at once wrapped in ideas of their own "exceptionalism" and full of self-doubt, largely indifferent to the outside world, suspicious of government, yet determined not to lose its benefits. In his campaigns, Bill Clinton has shown a rare gift for articulating this mood of discontent. In a second term, he may surprise everyone by taking radical action to assuage it.

### QUICKLY

#### De Glanville to captain England

Phil de Glanville, 28, who captained Bath, is to be England rugby captain. His appointment means that his predecessor, Will Carling, faces a fight with Jeremy Guscott for the one available centre place. "It is time for someone new to put his stamp on the side," de Glanville says. *de Glanville* Pages 24 and 28



#### Tax U-turn to deprive fat cats

The Chancellor, Kenneth Clarke, made a last minute U-turn and did not include capital gains tax cuts in last year's Budget because Cedric Brown, who was the chief executive of British Gas and Britain's most notorious "fat cat", would have made too much money from it. The proposed reduction in the rate of tax from 30p in the pound to 20p would have gone towards honouring John Major's promise to abolish the tax. Mr Brown, who has retired, personified popular disapproval of "fat cats". *Page 2*



#### Yeltsin fine after operation

Russian President Boris Yeltsin is in a critical 48-hour period after which his surgeons will get a clearer of the success of the multiple heart by-pass operation. He is on a respiratory machine following the seven-hour operation during which doctors stopped his heart for 68 minutes. Mr Yeltsin, 65, has temporarily transferred power to the Prime Minister, Viktor Chernomyrdin. A medical bulletin said: "Everything was fine, great. He is OK." Mr Yeltsin was confident he would be back to work soon. *Page 9*

#### Ridings head expels 12 pupils

The new headmaster of the troubled Ridings School in Halifax, closed because of assaults on teachers by pupils, expelled 12 students and temporarily excluded 23. Peter Clark was appointed acting head last week. His action came as the school's governors met to discuss an inspection report which is expected to brand the school a failure. His actions are expected to go some way towards meeting the demands of teachers who said they would strike unless 60 children were expelled. *Page 5*

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## news

## Ministry of sound pumps up the volume

It had been a pleasant lunch, followed by a brisk walk, and I entered the Chamber just as the bishop, who conducts daily prayers, was leaving (I bet he's a supporter of New Labour). So I fell into a reverie up in the gallery. Below me party jibes were exchanged gently across the Chamber, above me – beyond the skylight – swallows were skimming through the bright autumn air.

And suddenly, like rap music played on a monster hi-fi at 3am in a suburban mews, a bellowing voice woke the slumbering journalists with a jolt, and had the clerks pulling their wigs over their ears.

ONLY WE HAVE GIVEN THE PLEDGE TO IN-



DAVID AARONOVITCH

CREASE HEALTH SPENDING YEAR BY YEAR BY YEAR BY YEAR", roared the Health Secretary, Stephen Dorrell.

Who, I wondered, was he yelling at? What had annoyed him so badly? Gradually, as Mr Dorrell answered all questions at the top of his voice, I realised

that he was not angry, but that the volume control on his larynx had broken.

Breakfast in the Dorrell household must be a trial, with the kids in ear-muffs, all the glassware hidden, and Dad asking whether there is "ANY MORE TOAST?"

From the Labour front bench Tessa Jowell, dressed in the New Labour uniform of short-bob and twin-set (powder-blue, for those of you wondering what the Follett Girls are wearing this autumn), asked a fair enough question about the use of "finished consultant episodes" as a measure of patient treatment (the same patient released too early from hospital, then re-treated, counts

twice). This was Dorrell's reply, shouted at a zillion decibels: "SHE STILL REFUSES TO GIVE THE PLEDGE THAT SHE WILL INCREASE SPENDING YEAR BY YEAR BY YEAR BY YEAR!"

Of course she does. If she committed herself to spending one penny extra on consultants, it would be the end of Labour's attempt to portray itself as the prudent party; the sky would fall on their heads and all would be lost.

Dorrell's pledge (which originated with the Prime Minister at the party conference) is thus designed specifically to embarrass the opposition.

So it was tactically risky for

Tony Blair to raise the issue of health during Prime Minister's Questions later on. But he did.

"The NHS is in a state of crisis", what was the Government going to do about it? Put tons and tons of money into it, unlike you lot, said Mr Major. No, you should cut bureaucracy and make it more efficient, said Mr Blair, in a total role reversal. But the Socialist Health Association says that would be wrong, the Prime Minister replied surrealistically.

Perhaps it was the oddness of this exchange that set up a remarkable Majorism, also on health. Paddy (who has stared death in the face, and is not afraid of putting taxes up) had

done his bit on trolleys in corridors and half-completed brain surgery, and the PM had given a weary "wait-for-the-budget" answer, ending with "I have nothing further to say". Then, suddenly adding in a loud high-pitched voice (left over from Stephen Dorrell, perhaps), "EXCEPT THIS!"

"This" was the pledge to increase health spending year after year after year etc. "You don't have to look in the mirror", Mr Major said emphatically, "when you can look at the record".

No, I suppose not. Why worry about what you look like now, when you can read about what you looked like a long time ago? It makes perfect sense.

## Fear of fat cat's gain foiled plan to axe tax

Diane Coyle  
Economics Editor

Kenneth Clarke drew back from a planned cut in capital gains tax on the eve of last year's Budget because Cedric Brown, then chief executive of British Gas and the most notorious of Britain's fat cats, would have made too much money out of it.

The proposed reduction from 40p in the pound to 24p would have gone part of the way to honouring the Prime Minister's pledge to abolish capital gains and inheritance taxes. But the Chancellor made a last-minute U-turn when an alert Treasury official noticed that there would be a windfall for Mr Brown and other highly paid executives if he went ahead.

Mr Brown's 75 per cent pay increase last year, before he stepped down from British Gas, created a national uproar. Although not Britain's highest-paid businessman, he became the lightning-conductor for popular disapproval of executive greed.

On top of his salary and incentive payments of nearly £500,000 and a pension worth £5.5m, Mr Brown had share options worth about £300,000 a year ago. A reduction of 16p in the rate of capital gains tax could have saved him nearly £50,000 in tax if he had exercised all the options.

The average tax saving for fat cats if the Chancellor had gone ahead would have been

around £30,000, and the handful with share options worth more than £1m would have saved close to £160,000 in tax.

The move would have delighted the Labour Party, which already regarded Mr Major's pledge as the Government's worst tactical mistake on the tax front. Labour had prepared a fat cats dossier ahead of last year's Budget just in case.

The party calculated that abolition of the tax would create a boardroom bonanza at the privatised utilities, with tax savings of £492,000 for Roger Unwin, former chief executive of London Electricity, for example, and £181,000 for Ed Wallis, chief executive of Powergen.

Although both Mr Major and Mr Clarke have since repeated the promise to abolish capital gains tax, tax experts believe the Government will remain vulnerable to the same problem. "They are very keen not to give the Labour Party any easy targets," said Andrew Dilnot, director of the Institute for Fiscal Studies.

A move to abolish inheritance tax was more likely this year. "It is symbolic, and it's cheap and easy because it does not raise much money," he said.

However, even if there are fat cats who would profit from a cut in capital gains tax, Mr Brown is no longer among them. His options over 703,000 British Gas shares are currently worthless because of the low level of the company's share price on the stock market.

## The £200 plastic front door that cost the taxpayer £10,000



Open and shut case: The disputed door at Patricia Harman's home in the Derbyshire Dales

Ian Burrell

English Heritage officials spent £10,000 on a failed legal action to force a woman living in a Derbyshire Dales conservation area to change her £200 plastic door, it emerged yesterday.

Patricia Harman, 53, has fought for two years to retain a wood-effect UPVC four-panelled door, installed at her mid-terrace home in the village of Wirksworth. And yesterday, a High Court judge rejected English Heritage claims that a Department of the Environment planning inspector was wrong in law not to declare the door "unsuitable".

The judge also rejected the conservation body's claim that allowing it to remain would create a precedent which could jeopardise efforts to preserve the character and appearance of buildings in conservation areas around the country.

In the first case of its kind, Deputy Judge Moriarty QC said: "In my judgment, the criticisms made are not borne out on a fair reading of the decision letter."

Patrick McLoughlin, Tory MP for West Derbyshire, said the English Heritage action had been pointless and wasteful.

"There are better things to spend money on and I am rather appalled at the way English Heritage have hounded a constituent of mine."

However, Dr Anthony Streeten, head of English Heritage's East Midlands conservation team, said it was money well spent. "It is not £10,000 wasted because it has given us the very full airing that we were seeking of the issues involved," he said. "Our fundamental concern is not a resistance to plastic. It is that we don't consider you can achieve the subtlety of treatment, of texture, of detailing, in plastic that can be achieved with the traditional craftsmanship in finishing a traditional door."

He said English Heritage was happy that the court had treated the case as a "one-off" that would not allow other homeowners in conservation areas to make similar changes to their properties.

"Counsel for the Secretary of State made it very clear that they did not consider this particular inspector's decision to create a precedent," he said.

## Head of Child Support Agency quits after two years in job

John Rentoul  
Political Correspondent

The Chief Executive of the controversial Child Support Agency is to leave after little more than two years in the job, it was announced yesterday.

Ann Chant, 51, credited with turning the agency round after its disastrous launch three years ago, is to head the Opportunity 2000 campaign to increase the number of women in senior management.

Her predecessor, Ros Hepplewhite, resigned after 18 turbulent months in the job, apologising for "unacceptable standards", and saying she had enough.

In a sign that her departure had taken the Government by surprise, yesterday's announcement said arrangements



Ann Chant: Leaving to head women's campaign

would be made "shortly".

Andrew Mitchell, the minister responsible for the agency, praised Miss Chant as "first rate", and Malcolm Wicks for

Labour, which has toned down its criticisms of the agency, said: "Things were beginning to move in the right direction. This is bad news for child-support policy. She provided strong leadership to the CSA after an extremely poor start and I am therefore concerned about the leadership of the agency at this sensitive time."

Miss Chant said: "My time at the CSA has often been hectic and certainly challenging but I am pleased that I will be leaving my successor an agency which has a steadily improving performance and excellent staff and managers in place to ensure the good record continues."

The agency was launched to trace absent fathers and extract child maintenance payments from them according to an "automatic" scale which replaced

individual court orders. But last week MPs accused ministers and Miss Chant of continued complacency. An all-party committee said that serious mistakes continued to be made and that it was "not appropriate" for Miss Chant to try to minimise them.

The CSA's watchdog, the Ombudsman, Sir William Reid, also expressed "puzzlement" that the agency was not making better progress, given all the money poured into it.

Miss Chant has overseen a dramatic reduction in the agency's error rate. But Frank Field, Labour chairman of the cross-party Commons social security committee, has criticised the agency for effectively granting an amnesty to about 300,000 people who have failed to reply to letters.

## significant shorts

## Fireworks deaths protest

Relatives of two people killed by fireworks handed in a letter of protest to the Prime Minister yesterday calling for tougher laws on the sale of imported fireworks yesterday, as the country's biggest manufacturers called for an urgent review of the licensing, testing and sale.

Joan Mitchell, aunt of a nine-year-old boy killed last week, and Antony Robinson, whose brother Roger died two years ago, were among a delegation which handed in a letter of protest to No 10 Downing Street. The move comes after two more deaths at the weekend from Chinese "mortar"-type fireworks, and amid fears that thousands of imported fireworks could pose a lethal danger.

The DTI said it would consider the plan as part of its overall review of fireworks control, due to report in the new year. Charles Arthur

## Poverty gap is widest in Britain

The gap between rich and poor has been widening more in Britain than anywhere in the European Union, a report due for release by the European Commission today suggests.

Numbers of families living below the poverty line as a proportion of the population rose from 14.3% in 1983 to 17.2% during the decade 1983 to 1993, by far the biggest increase. The poverty line is defined as half the average income for the country as a whole and the report puts Britain ahead only of the four most deprived EU members Spain, Portugal, Greece and Ireland. By contrast only 5% of households in the Benelux states fall below the poverty line. Katherine Butler, Brussels

## Student help lines attacked

Students who phone university "hot lines" looking for places cannot always expect good advice or even basic courtesy, according to research published yesterday.

A third of the people answering phones during clearing this year were unhelpful or incompetent, and one in six was not even polite, anonymous calls to 151 universities and colleges showed.

At Riley Advertising, one of the biggest university recruitment agencies, found that two of those called had printed the wrong phone number for their help lines.

Of 22 who offered to send specific details of courses, only one did so. Almost half failed to identify themselves properly when answering the phone. Fran Abrams

## Mill buildings listed

Thirty former mill buildings from the golden age of the textile industry were listed today as of special historic interest.

The move to protect the mills in Greater Manchester, announced by Heritage Minister Lord Ingledew, adds them to 60 already listed.

Lord Ingledew said: "There were once around 2,400 mills in the Greater Manchester area. Yet by 1992, nearly half of those buildings had been demolished." The decision to add the buildings to the list comes after recommendations from English Heritage after a comprehensive study.

The former mills include 11 in the Bolton area, six in Oldham, nine in Rochdale, two in Salford, four in Stockport, four in Tameside, and one in Wigan.

"It is important that we act now to identify the most significant survivors and preserve them for the benefit of future generations."

## Dangerous men on run

Six dangerous prisoners were on the run last night after overpowering guards while they were being transferred to jails in London.

The Category B prisoners, five men convicted of robbery and the other for possession of firearms, were serving sentences of between eight and 12 years. Although handcuffed, they managed to overpower five prison officers in a minibus as it travelled through north London before escaping on foot.

Four of the five prison officers needed hospital treatment, although the escapees were not thought to be armed.

## Shopping malls blow

Town centres have been given a boost in their battle against out-of-town shopping malls. Government and major shopping chains have agreed to fund a £200,000 research project into self-help schemes, in which businesses located in decline-threatened centres club together to fund local improvements in a tightly defined "business improvement zones" which keep them attractive to shoppers, visitors and property investors.

The research will cover about 10n areas, including Brixton and Oxford Street in London, Aberdeen, Glasgow, Newcastle and Bristol. Nicholas Schoon

## 'Gunman' was boy aged 12

Scottish police officers burst into the house of a suspected gunman yesterday after a report from a frightened member of the public.

But instead of finding a dangerous gunman, the police discovered a 12-year old boy, whose Halloween outfit had been mistaken for something more sinister.

The boy, who was taken from the house in Aberdeen by officers, is understood to have escaped out of a ground floor window in front of the passer-by who was so alarmed that he contacted the police.

## THE INDEPENDENT ABROAD

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# Q: What do a Jeremy Paxman interview and an armed robbery have in common?



Jeremy Paxman: Corporation wants new controls on 'robber' interviews

A: They are both pawns in a new game of TV politics



A scene from a Crimewatch reconstruction. Virginia Bottomley wants to control TV violence

## BBC muzzles interviewers

Matthew Horsman  
Media Editor

The BBC yesterday unveiled its first "statement of promises" to licence fee payers, guaranteeing fewer repeats, value for money, more original British programming and full accountability to viewers.

The move toward introducing a Citizen's Charter for the BBC was widely seen last night as part of the public service broadcaster's highly public campaign to win an increase in the licence fee to more than £100 within two years.

As it wooed the political parties the corporation also said it pledged to curb violence and bad language, in line with viewers' sentiments, and to ensure there were no "Robtweiler" interviews. The BBC has been criticised in the past for the aggressive interviewing techniques of presenters such as John Humphreys of *Today* and Jeremy Paxman of *Newsnight*.

The statement, which runs to 50 pages and will be sent to 10 million households, follows a long consultation process launched by the renewal of the BBC Charter last year. The corporation will have spent nearly £500,000 on the consultation and mailing.

Introducing the statement yesterday Sir Christopher Bland, the Chairman of the BBC Board of Governors, said: "Viewers and listeners find the BBC through the licence fee. They have a right to know what the BBC is planning to do, year by year. They have the right to know whether the BBC has spent money effectively and how the BBC is responding to their views."

Among specific pledges the BBC

said it would strive to ensure that eight out of every 10 hours of programming was made in the UK and that at least a third of programmes are made in the regions by 1998.

Promises covering programmes for ethnic groups, more factual shows in peak time and a new morning schedule were also made. Interviewers would ask "appropriately forceful questions with courtesy and a consistent tone, regardless of who holds those opinions".

The BBC also said it would take account of viewers' preferences when selecting which programmes would be repeated.

Complaints would be answered within 20 working days.

The statement of promises was said yesterday to be consistent with John Major's Citizen's Charter and was aimed at ensuring that licence fee payers felt the television and radio services provided value for money.

"This is the start of a closer relationship between the world's greatest cultural institution and those who make it what it is - the licence payers," John Birt, the director general, said.

The BBC launched its campaign to win a higher licence fee in August and is awaiting the Government's decision about the formula to be used to get the payment from 1 April next year. The BBC has suggested a modest, single-digit annual increase to take the fee to £100 within two years.

The higher fee is linked to plans to introduce digital services from next year and to safeguard the core television and radio programming. It would mark the first real increase in the fee for 10 years, the BBC has argued.



The BBC is pledging more emphasis on factual programmes and documentaries and viewers will have more choice on repeats of old programmes

## Curbs on crime shows

Matthew Horsman  
Media Editor

John Major's government yesterday moved television to the very centre of the pre-election campaign, as Virginia Bottomley, the Secretary of State for National Heritage, called for urgent action against TV violence.

In letters to the BBC, the Independent Television Commission and the Broadcasting Standards Council, Ms Bottomley expressed particular disquiet at the "unhealthy concentration on crime and the emergency services", including true-crime reconstructions and even scenes from popular series such as *Casualty*, *Prime Suspect* and *London's Burning*. She asked for an urgent meeting to discuss ways of ensuring that "television programme makers and broadcasters take full account of the standards acceptable to today's viewers".

She added: "I would also like to explore what more we can do to help protect vulnerable groups of viewers, particularly children, from unsuitable material."

The move was seen in broadcasting circles as overtly political, and aimed at helping the Conservatives regain the moral high ground lost to Tony Blair's Labour in recent weeks.

"Who knows, maybe the Government will start talking about the V-chip again, depending on where they stand in the polls," said one industry chief executive.

The V-chip is a device installed in TV sets to let parents to block out programmes of a violent or sexual nature.

Statistics compiled by the ITC show that the incidence of violence on TV has

actually decreased in recent years, and only 4 per cent of complaints to the BBC in the last three months were related to violence, none of which were upheld by the BBC's own internal complaints unit.

In a related move, the Home Office called for a clampdown on video violence, and has requested a report from the British Board of Classification on ways to reduce the incidence. "We must redouble our efforts to raise standards in the media and the video industry," Tom Sackville, the Home Office minister, said in a speech to the British Video Association in London yesterday.

Ms Bottomley has also requested the BBC, the ITC and the BSC to furnish written reports by the end of the month detailing actions they have already taken to curb the incidence of violence on television.

The BBC said last night that violence was "an issue we take seriously, and our guidelines are constantly under review". It added that it took its responsibility to abide by the 9pm watershed in peak time particularly seriously, and that it routinely warned viewers about potentially offensive programmes.

The unofficial view at the BBC was less restrained, with one senior source suggesting: "This is blatant electioneering, and an over-reaction."

BBC sources also suggested that the timing appeared linked to the publication yesterday of the BBC's *Statement of Promises*, which the public service broadcaster viewed as proof of its commitment to listen to the views of licence payers.

The Government's action followed a rare official warning issued to Carlton over a protracted rape scene in an episode of *London Bridge*.

# Oxford dons vote against business school project

Charlie Bain

Oxford University faced acute embarrassment last night after plans for a £40m business school were postponed amid controversy over a £20m donation from the middle eastern financier, Wafic Said.

Several hundred academics attended a meeting of Congregation in the Sheldonian Theatre to vote on the proposed development of the

business school on the present site of the university sports ground, next to Merton College. The proposal provoked outrage because the fields had been sold to the university by Merton in the 1960s on the understanding they would not be developed.

Although Congregation voted 259-214 against the development, the proposal might still go to a postal vote next week.

Many opponents of the plan were said to disapprove of the involvement of Mr Said, a friend of Baroness Thatcher, who helped British Aerospace win the Al-Yamamah arms deal with Saudi Arabia.

Much of yesterday's resolution centred on Mr Said's stipulation that a private foundation be set up to govern the school. This would be run by the vice-chancellor, and three university representatives, alongside

Mr Said and five outside trustees appointed by him.

Opponents of the plan see this as a threat to the university's constitutional independence and fear a precedent could be set, leading to a fragmentation of Oxford's governing body.

Mr Alexander Murray, a medieval history doo opposing the plan, said the proposal was a "distinctly discomforting arrangement"

and warned that it could be counter-productive. "We've got a big, rich institution in our midst," he said. "I'm struck by the degree to which we are beholden in this field to outside benefactors."

Dr Michael Woodin, a Fellow of Balliol College and Green Party councillor, questioned the nature of the "strings" attached to Mr Said's offer.

He said that although Mr Said had

protested against claims in the past that his money had come from dubious sources, he had still made his fortune in the arms trade. "He is an arms deal negotiator, the middle man, if you like - the fixer," he said.

But the university's vice-chancellor, Dr Peter North, who proposed the special resolution to set up the school, said he was satisfied that the university's ethics committee had looked into the matter thoroughly

and urged the congregation to vote for the proposal. "I believe that not only would we lose Mr Said's support if we didn't vote for this proposal," he added, "but lose the support of other benefactors and put at risk the good will of many others."

The proposal will now be put before a meeting of the Hebdomadal council, which will decide on Monday whether or not to put the matter to a postal vote.

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# Wartime secret: How Churchill tried to blow up his own navy

Was invasion plan using warships floated on air bags just hot air?

Christopher Bellamy  
Defence Correspondent

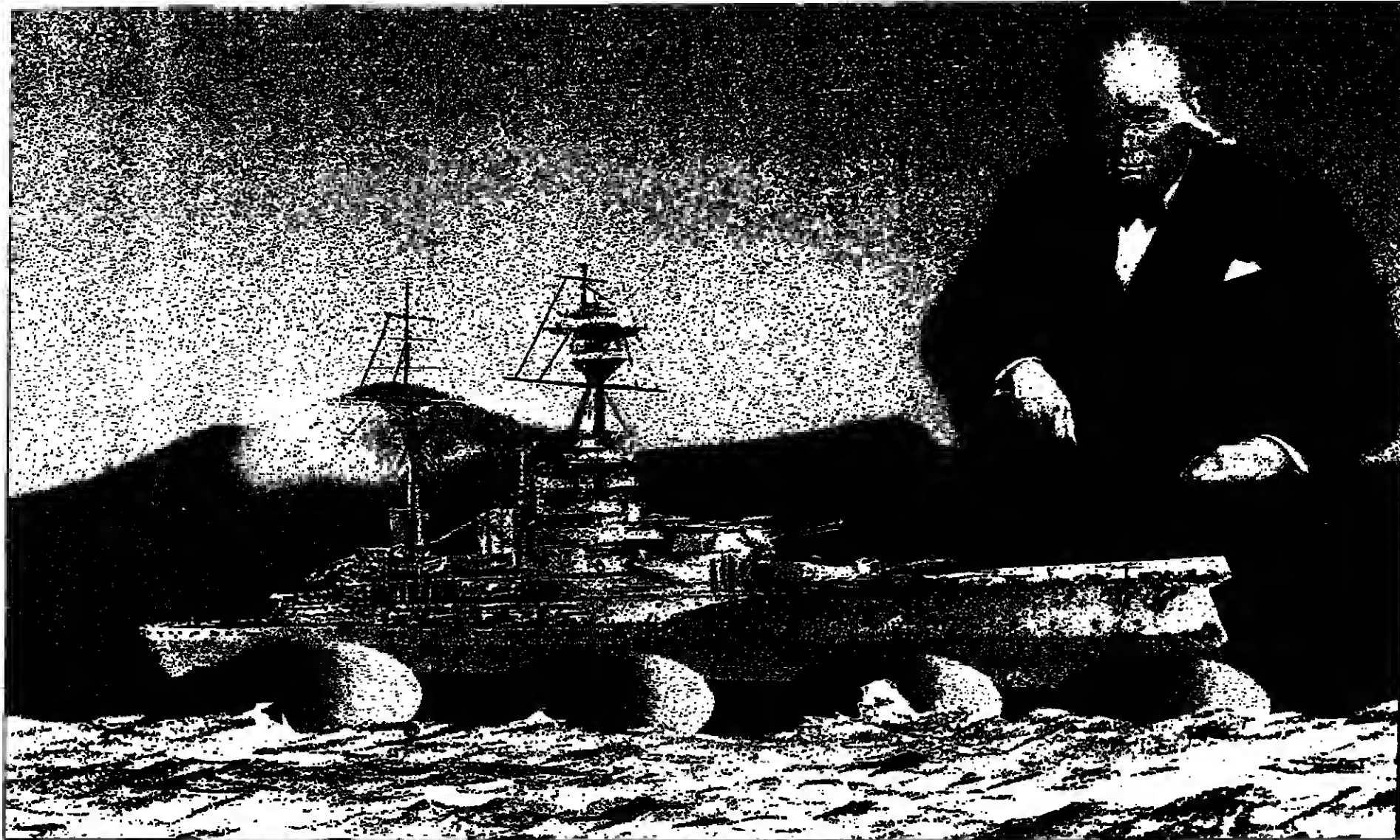
Even at the start of the Second World War, the accountants ruled. Sir David Nicholas, the retired former chairman of ITN, has discovered that an astonishingly bold scheme to invade the Baltic hatched by Winston Churchill before he became Prime Minister was never put into practice, partly because of the cost — £8m in 1940, or about £250m in today's money. The other reason? Probably, it was just plain mad.

The idea was to put a powerful naval force including three 23,000-ton battleships into the Baltic, attacking Germany from behind. To evade German defences in the Baltic approaches — the Kattegat, between Denmark and Sweden — Churchill proposed to send the massive warships through an unguarded but shallow channel. Normally, the channel would have been too shallow for the giant vessels, so Churchill came up with a brilliant idea: float them through buoyed up on airbags.

At the outbreak of the Second World War on 3 September 1939 Churchill was re-appointed First Lord of the Admiralty — a position with no modern equivalent but which gave him enormous power as political and military supremo of the Royal Navy. Sir David's research, which he described as "a kind of hobby", began several years ago when he was browsing through Churchill's Admiralty papers.

Like Churchill's ill-fated brainchild of the First World War, the Gallipoli campaign, the potential strategic advantages were enormous. Churchill's aim was to divert huge German naval and air forces into the Baltic, cut off Germany from the supplies of iron ore it received from Sweden, threaten Hitler from the rear and possibly bring Sweden and Norway into the war on the British side.

None of these materialised:



Sail away: A Royal Sovereign class battleship lifted out of the water on 'galoshes' — huge air-filled floats to carry it clear of the shallows

Photomontage: Jonathan Anstee

the cost and complexity of the operation, and the risk to the force weighed against it. The first battleship to be earmarked, *Royal Oak*, was torpedoed the next month. But in the end, the decisive factor may not have been the cost, but the risk that a British fleet in the Baltic might start war with the Soviet Union — then a formal ally of Nazi Germany.

According to papers discovered by Sir David, Churchill's plan relied on reducing the 30ft draught of the 23,000-ton Royal Sovereign class battleships by 9ft so they could pass through "a certain channel

where the depth is only 26 feet". Later correspondence reveals the channel was the "Vengeance Shoal", between Fyn Island and Zealand.

"There are at present no guns commanding this channel", wrote Churchill, "and the states on either side (Sweden, Denmark) are neutral. Therefore there would be no harm in hoisting the anchor belt [on the battleships, normally below the water-line] temporarily up to the water level."

Churchill proposed to do this with "cassons" — air-filled floats, designed to lift the giant battleships nine feet. Co-

doomed "galoshes", they would be attached in two layers either side of the battleships, increasing their beam from 102 to 141 feet.

Churchill recognised that a naval force operating in the Baltic would be subject to heavy air attack. He also proposed reinforcing the armour on the battleships' decks, codenamed "umbrella". The force would also need a dozen smaller vessels with strengthened bows to withstand bumping into mines, and ships designed to take on enemy aircraft, including ships carrying barrage balloons.

During December, Operation

Catherine was in effect cancelled. The First Sea Lord, Admiral Sir Dudley Pound, wrote that "sending a fleet of surface ships into the Baltic is courting disaster". But on 9 April 1940, the shock news came that Hitler had invaded Norway. That morning Churchill received a telegram from Admiral Lord Cork, who had been in charge of Operation Catherine: "If only Catherine had gone ahead. What an ideal force we would have together to go right in and break up the German fleet. It would have been ready, according to your last date, nine days ago."



## Hooker tells of sales sprees

Graham Ball

The jury in the Old Bailey trial of an Inland Revenue inspector accused of bribery was told yesterday how he used the same shop to buy clothes for both his wife and his mistress.

Michelle Corrigan, a prostitute who had an affair with Michael Alcock, the tax inspector, told the court of her visits to an exclusive West End fashion store.

The shop, Joseph in Knightsbridge, central London, was a favourite of Mr Alcock's wife and he was anxious not to be recognised by staff while shopping with his girlfriend.

"We went there about half a dozen times. Michael used to shop for Sally [Mrs Alcock] at Joseph so I used to wait outside while he paid," said Miss Corrigan in reply to questions from John Black, for the prosecution.

Miss Corrigan, 30, a drinks vending machine manager from Portsmouth, was giving evidence for the second day in the trial, which is expected to last until Christmas. She told the court how she would go into the shop to pick out the designer clothes she wanted and leave Mr Alcock to pay either by cash or credit card.

Mr Alcock, 47, of Colchester, Essex, denies 13 corruption charges. Two businessmen he was allegedly investigating are also in the dock. Hisham Alwan, 56, an oil consultant of Knightsbridge, and David Shamoon, a property developer of West London, deny four charges of attempting to bribe Inland Revenue officials.

Miss Corrigan, who was dressed in a smart black trouser suit, also said that her former lover would bring her back gifts from holidays he took with his family.

She said that she received her last gift from Mr Alcock about a month before the affair ended in the wake of an Inland Revenue investigation that started in September 1992.

Mr Justice Peter Beaumont, the judge, later censured the Evening Standard of London and the Daily Mail for what he described as inaccurate reporting.

The trial continues.

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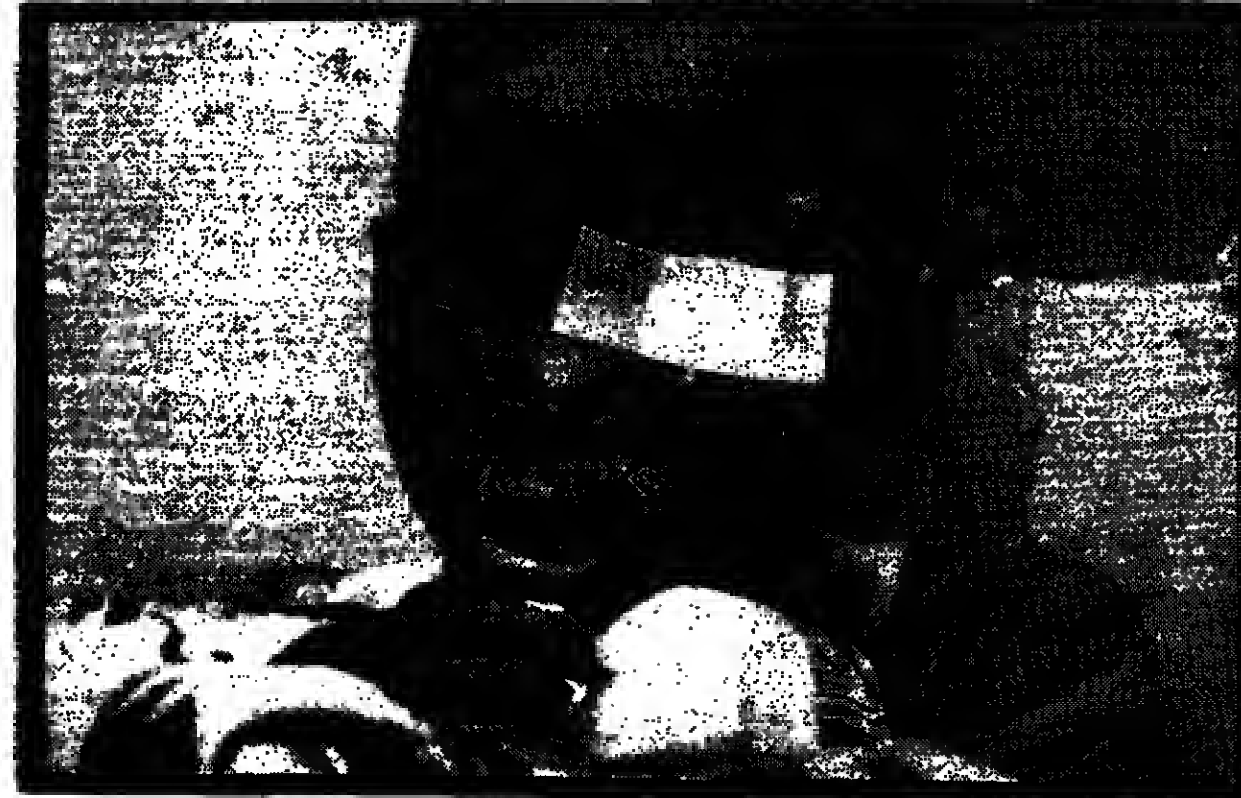
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## politics

## PRIME MINISTER'S QUESTIONS

## SCORING THE EXCHANGES

John Major 5/10

A narrow win because of Blair's long-windedness. These days Major takes pot shots at Blair's style rather than the issues. Tory benches were more firmly behind him than last week - health an easier subject for him than beet.

Tony Blair 4/10

Could put PM firmly on the spot (and score better) if he didn't insist on speech-making. After PM's questions, Ian Bruce (C. Dorset S), suggested that Blair should be limited to a bit of up to 200 words.

## THEMES OF THE DAY

- The NHS (Tony Blair, Paddy Ashdown)
- Fall in family living standards (Dawn Primarolo, Lab, Bristol S)
- Manchester's regeneration (Sir Fergus Montgomery, C, Altrincham and Sale)
- Tory economic success (Nicholas Winterton, C, Macclesfield)
- Old people, fuel and Guy Fawkes (Margaret Ewing, SNP, Moray)

## BLAIR'S ATTACK

With the Prime Minister admitting that the National Health Service is indeed in a state of crisis, Major replied that the Conservatives had pledged to increase funding to the NHS, and Labour had not. Blair retorted money had been spent on bureaucracy. Exchanges quickly descended into speeches and statistic-swapping.

## GOOD DAY



PADDY ASHDOWN

who asked with passion lacking in Blair's performance: "Does the Rt Hon Gentleman not realise that the crisis in the NHS is not next year, it is now?"

## BAD DAY



MARGARET EWING

Tried to make a comic link between Guy Fawkes, bonfires and VAT on fuel. It was flimsy anyway, but the House of Commons on 5 November was not the place to try it.

## MALAPROSPIC OF THE DAY

John Major on the Conservatives' record on the NHS: "It is a pledge that people don't have to look in the mirror to see, they can look in our record."

## UNANSWERED QUESTION

Dafydd Wigley, (PC, Caernarfon) - "Is the Prime Minister aware that if the linkage between pensions and earnings had not been broken in 1980, that level of state pensions would have been £33 a week? Major replied that the Conservatives have "ensured that [the state pension] has kept up with increasing prices."

## CREEP OF THE DAY

Nicholas Winterton, (C, Macclesfield) - "Would my Rt Hon Friend accept that one of the great success stories of the present Government is the fact that they've brought about a growing economy with low inflation and falling unemployment? And will my Rt Hon Friend now accept an invitation from me to visit Macclesfield... an area which is proud to be Tory?"

Compiled by Ben Summers

## Lottery cash: Bottomley owns up

David Lister  
Arts News Editor

The Government has admitted that some good causes that have been awarded cash from the National Lottery may not get their money.

Responding to recent reports in *The Independent*, Virginia Bottomley, the National Heritage Secretary, said yesterday there could be some cases of good causes which have been promised money in the full glare of publicity but would not actually receive the

cash. She said: "There may be some, who for unforeseen reasons don't get their lottery money. But I would be surprised if any but a handful fail to deliver the criteria that have been set for them."

The Arts Council which distributes lottery money to the good causes, is warning that some beneficiaries may have to be "reassessed", and could yet not be given their promised money. This will happen if there is a cut in their annual revenue grant, which means that their artistic and business plans

fail to satisfy the council that they could manage big redevelopment plans funded by lottery cash.

Such a scenario looks increasingly likely as Mrs Bottomley signalled yesterday that she had failed to convince the Treasury of the need to increase annual arts spending. At a private briefing, she emphasised the Government's priority was to keep pressure on public spending, and to concentrate on health, education and law and order.

She could not be "inviolable"

from the public-spending crackdown, she said, but emphasised how she had fought to keep millions of pounds of lottery money going to the arts.

Among the institutions which could yet lose some or all of their promised lottery money are the City of Birmingham Symphony Orchestra, the Cambridge Arts Theatre and the Yorkshire Dance Centre in Leeds.

Ironically, Mrs Bottomley will today make a speech in Leeds singling out the Yorkshire Dance Centre as an example of how the lottery is transforming

both the arts and the process of urban regeneration.

She will tell the British Urban Regeneration Association Conference: "Here in Leeds the Yorkshire Dance Centre's dance theatre project, Union City, has brought together the talents of 14 young people from inner-city areas of Leeds. Their latest production, *Paradise Vibe*, is a unique expression of the cultural diversity of young people in British cities and speaks directly to young people..."

"I am pleased that this year Yorkshire Dance received a

National Lottery award for £606,000 and that work is now under way to equip and modernise the centre."

But the Arts Council has confirmed that the Dance Centre might not receive the money as a cut in annual revenue grant would adversely affect the artistic and business plans they submitted before being granted lottery money.

The Government's annual grant to the arts will be announced after the Budget, but projections are for a cut of at least £3m.

## Blockade of the torture arms fair



Shocking message: Outside the arms fair at Sandown yesterday where electric shock equipment has been sold

Photograph: Peter Macdiarmid

Jojo Moyes

About 300 protesters gathered outside Sandown race course in Surrey yesterday to demonstrate against an arms fair alleged to sell electric shock batons and torture equipment.

The protest, organised by the Campaign Against the Arms Trade, began early yesterday with blockades of entrances to the race course and continued through the day, disrupting traffic in the area. More than 100 police were

deployed and at one point around 30 protesters broke through to block access to the exhibition centre.

Olive Cassirer, a poppy-wearing retired headmistress, was one of many local people there. She had never been to a demonstration before. "This country should not be selling these kinds of armaments," she said.

Kay Lippold, a retired health visitor from Walton-on-Thames, was "ashamed" of the fair. "We used to be proud of what England made and exported," she said. "I don't see how anyone can be proud of this."

Organisers of the Copex 96 exhibition attempted to ward off demonstrators last month. One letter to the campaign warned that its demonstration could divert "precious Metropolitan

Police manpower and resources" needed against "impending terrorist attacks".

A spokesman for Sandown said that United Race Courses, which owns the ground, was aware of the strength of feeling against the fair. "As far as we're concerned they are just like any other company who applies to have an exhibition here." But the owners were likely to "consider carefully" whether the fair would be held there next year.

The organisers had their own heavy security presence. Some guards were stationed on watch towers, videoing the protest. The guards said only "vetted" members of the press were allowed into the exhibition.

More than 100 companies were listed as exhibitors, including Birmingham Gun

Makers, Autauga Arms and the *Arab Defence Journal*.

Many visitors chose not to discuss their reasons for attending, some shielding their faces. But Lior Caspi, visiting the Israeli delegation, said the protest was based upon a "misunderstanding".

"I think [people would understand better] if they could see that some of these things are legitimate for keeping the peace," he said while videoing the protesters.

The purpose of the fair was revealed last year by a Channel 4 documentary. After it was shown, Copex launched a libel action against the Campaign Against the Arms Trade. The case did not proceed, and the campaign is still trying to recover its costs.

## Minister sees the future in a kiosk

John Rentoul  
Political Correspondent

Kiosks offering "electronic self-service government" will be announced by ministers today. They are designed to take the paperwork out of paying taxes, renewing driving licences and applying for planning permission.

Touch-screen computer terminals in booths dubbed the "phone boxes of the future" are intended to give everyone direct access to government agencies and local council services.

"The technology exists to deliver self-service government to both the public and businesses," Roger Freeman, public services minister, said yesterday. He is publishing a Green Paper on the subject today.

Ministers will unveil three pilot schemes which will allow anyone to walk in off the street to their local library or into a pavement kiosk and use computer screens to call up information. The services will also be on the Internet.

Mr Freeman suggested it would help small traders who wanted to expand but were not sure about planning rules.

"If you're a plumber and you want to expand your workspace and need to know about the planning regulations, through this technology you can get the form and information from the Citizens' Advice Bureau," he said.

Ministers believe the computers will be no more complicated to use than hole-in-the-wall cash dispensers.

John Prescott, the deputy Labour leader, will unveil the Opposition's similar plans for open electronic government today, claiming that Labour would take a more active role in managing the technology and protecting public-sector workers against job losses.

The Government was criticised by Stephen Timms, Labour MP for Newham North-east, for having failed to generate enthusiasm for its scheme.

Mr Timms said that in America there had been a huge national debate on the subject. It had culminated in the US Telecomm Act, passed this year, which contains a pledge to make advanced communications technology available to all Americans.

He contrasted the situation with that in Britain, where Michael Heseltine, the Deputy Prime Minister, gave up the leadership of a ministerial task force on information technology in June because of a conflict of interest with his Haymarket publishing company. It has signed a licensing deal with BSkyB, which hopes to carry the information superhighway on its digital television network.

Whereas the Deputy Prime Minister could have given the project the high profile it deserved, said Mr Timms, he was replaced by Viscount Cranborne, the Tory leader in the Lords. "That just about says it all, doesn't it? The technology for the 21st century in the charge of an hereditary peer."

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# Meltdown: great flood begins as the biggest glacier goes liquid



Water was pouring into the ocean along the island's south coast, about 140 miles east of Reykjavik. Photograph: Jerry Lampen/Reuters

Water created by volcanic activity beneath Europe's largest glacier burst loose yesterday, sweeping away two bridges in its path. The giant sub-glacial lake in south-eastern Iceland had been filling up since a volcanic eruption at the beginning of last month.

Orn Egilsson, spokesman for Iceland's Civil Defence agency, said floodwater had destroyed the 1,233ft long Gígja Bridge as well as a 160ft bridge along the southern coast.

The flooding is bad. The speed of the water is much more than people imagined, said Mr Egilsson. The flooding is in a remote area away from towns or farms and did not threaten human life, he added.

Civil defence authorities were concerned that a third bridge, the 2,950ft long Skei-

dalur, would be destroyed by the floodwater.

The eruption, at one end of the Vatnajökull glacier, had begun on 14 October, and the lake of meltwater beneath the ice had begun to fill.

Iceland has been hit by a black-sand plume since the eruption.

A reporter with Icelandic National Radio said the flood waters had descended faster than forecast. "In three hours 6,000 cubic metres of water

has come down. People can already see ice-bumps on the plains and they expect the bridges to disappear in a day or two," he said.

Emergency services said they were not so much worried about the flood as they were about the possibility of the water running extremely fast down on to the coast, about 140 miles east of Reykjavik.

The eruption subsided in mid-October but the island has remained on alert for the expected floods, which could wash away the country's coastal ring road, and devastate the power supply system and telecommunications links.

Authorities have been preparing for the torrent by reinforcing dykes and building channels to steer the flood of water, debris and ice-blocks away from vulnerable areas.

The Vatnajökull glacier covers 3,300 sq miles and reaches a depth of 3,000 ft.

## DAILY POEM

### Ghost Ship

By Brian Patten

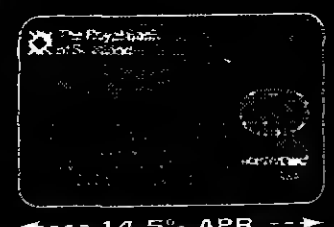
Dear ghost ship,  
since you left this port,  
your young crew has with longings,  
their semen hardly dry on women's lips,  
the years have shrunk to a single  
fleck-foamed wave,  
the one who fathered me,  
long dead.

Though there is a harbour into which  
it is best never to find the way,  
a sea-route it is best  
never to follow,  
fate and chance meetings will always  
undo reason.

It is the sea's breath  
melts the ice floe,  
the flip of a gull's wing  
changes the wing's course.

Brian Patten's *Armada* (Flamingo, £5.99) is one of the most perfect and accessible poetry books of the year, writes Catriana Luke, Poetry Editor. The armada of the title, a sequence of poems about the death of his mother, forms part of wider thematic elegies some of the best of which rest upon sea-faring metaphors. He has always shared with Adrian Henri and Roger McGough the stamp of "Liverpool poet" - populist in form, fierce in delivery - but this, his eighth collection, is undiluted, lyric poetry of immense range and humanity and highly recommended.

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news

# 20mph limits to put brakes on drivers

Christian Wolmar  
Transport Correspondent

A big increase in the number of 20mph zones was recommended by a cross-party parliamentary road safety group yesterday. The Parliamentary Advisory Council for Transport Safety said all speed limits should be reviewed and recommended 15 measures which it said Parliament and the motoring industry should undertake. The whole issue of speed had to be tackled if the number of accidents was to be reduced, it said in a pamphlet.

Britain has one of the worst records in Europe for child pedestrian deaths. According to transport ministers, 160 child pedestrians were killed in speed-related accidents in 1995. The council said in *Taking Action on Speeding* that reducing speed on the roads would be the single most effective way of lowering that toll.

Robert Gifford, its director, said: "Pedestrians hit at 20mph by a vehicle receive mostly minor injuries. At 30mph the majority are killed or seriously injured."

Speed killed car occupants too, he said. Their chances of being killed or seriously injured was five times greater at 40mph than at 20mph. The pamphlet said: "Speed is the

biggest single contributory factor in road accidents." The council said it accepted a survey finding that 85 per cent of motorists broke speed limits "when the road is quiet". But it said all limits should be reviewed with the idea of reducing the current 60mph maximum on trunk roads and creating many more 20mph zones in towns without the cumbersome engineering measures presently required.

The council said it accepted there was no single measure which could transform safety but called for a national strategy to tackle both excess speed (breaking the limit) and inappropriate speed (when a car is driven too fast for the conditions).

The Highways Agency was criticised for cutting funds for local safety schemes on trunk roads.

The pamphlet said that a key problem was that drivers "do not perceive speeding to be a significantly criminal activity" and suggested a change in the driving test. Mr Gifford said: "Instead of focusing on technical things... the test should concentrate on ensuring that drivers are aware of the dangers of speeding."

The council also called for a national data-base for speeding offences to help insurance companies.

# M&S hitches up its underwear and steals some jewels to create over 2,000 new jobs



Bra new world: M & S, which sells more underwear than any other group, aims to attract custom by adding extras such as a new fitting service

Photograph: Tony Buckingham

Barrie Clement  
Labour Editor

Booming high street sales are prompting Marks & Spencer to take on an extra 2,250 staff to man bigger stores and boost customer service. Already Britain's biggest underwear retailer the group has increased its share of

bra sales to well over a third by adding extras such as a fitting service. Marks is also for the first time offering made-to-measure suits at its City of London branch, which opened in September, and is now nothing up sales of £1m a week.

The group already sells one in five off-the-peg suits bought

in Britain and is launching its own jewellery to steal a march on high street jewellers, but Sir Richard Greenbury, the chairman, said only four shops in the group could offer the full Marks & Spencer range. He said there were 30 towns where they could double turnover if stores could be enlarged or resited.

"Customers are coming out of the trenches... We want to encourage them to shop with us as they seem more disposed to shop again and we want to offer them better service," said one executive.

The City, however, was not

impressed and marked the shares down sharply, citing disappointing profits and the increased cost of more employees.

The new staff will be concentrated in elite stores that attract the most customers and record the highest returns. Among the company's 50 high-flyers are those in Newcastle upon Tyne and the City.

Recruitment has started and will be completed by March. Marks also took on an extra 1,500 personnel last year as sales picked up. Directors said they were being employed on

tills, to answer queries and to ensure that stock was put on the shelves more quickly.

The announcement of more jobs coincided with the results for the six months to 28 September, which showed that M & S had improved profits to £430.1m compared with £385.4m in the same period last year. Sir Richard described this as a good performance with retail sales increasing by 8.4 per cent over the corresponding period last year. He stressed that consumer confidence seemed to be returning.

Sir Richard said the compa-

ny wanted to improve sales and management had raised the pace of new product development. He said the company had increased its market share in clothing and held its position in foods. Underlying sales grew at 9.5 per cent with home furnishings up by 26.9 per cent.

The company hoped to double its presence in Spain and strengthen its position in France. The store in Dublin had made an excellent start and the company intended to expand in Hong Kong and open new franchises in South Korea and Australia.

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# Chic it usually is, Liberty it ain't

Melanie Rickley

The Contemporary Collections floor at Liberty it ain't, but M & S can be relied upon to provide fashionable clothes that women want to buy, and buy they do. It is rumoured that the Marble Arch store in central London alone brings in about £1m a day. The queues of women at the check-outs are testimony to that, their trolleys loaded with clothes, shoes and lingerie.

German and Arab tourists expect easy, affordable basics when they go but legions of British women know something more. When the catwalk dictates clothes in shades of choco-

late, aubergine and olive green such as a velvet slim-fit shirt, a sheer devoré effect top or a fluid jersey tunic with matching trousers, they know they can go to M & S and not break the bank. Ask any fashion editor to throw open the doors to her wardrobe and you will find Marks & Spencer clothes nestled alongside those from Calvin Klein and Dolce e Gabbana. Alexandra Shulman, the editor of *Vogue*, said that her favourite item last season was an M & S "stuntant" shirt.

Five years ago the store was regarded as one of the most unfashionable places to shop, women were reluctant to admit where their T-shirts and

jumper came from. But the image of the store has been transformed with the help of an aggressive design initiative and designers such as Paul Smith and Betty Jackson.

But its strong push to capture the younger more affluent market has caused the company no end of trouble. Last year it was accused by Liza Bruce, a swimwear designer, of copying one of her ideas. The swimsuits looked nearly identical, the main difference was price: Bruce's cost £120, the M & S version, £21. Ms Bruce has since gone out of business. Jeff Banks, a fashion designer and presenter of *The Clothes Show* television programme, also ac-

cused the company of copying a distinctive pocket design. The store agreed to pay a six-figure compensation sum.

Marks & Spencer has since set up a £1m fighting fund to combat claims that it has copied designs. Despite this the company goes from strength to strength. The news that it will employ 2,000 more staff to improve customer care does not mean you will have assistants breathing down your neck (there will never be high pressure selling strategy in store) it simply means there will be more stock on the rails, a full range of sizes on offer and a faster route through the check-out back onto the street.

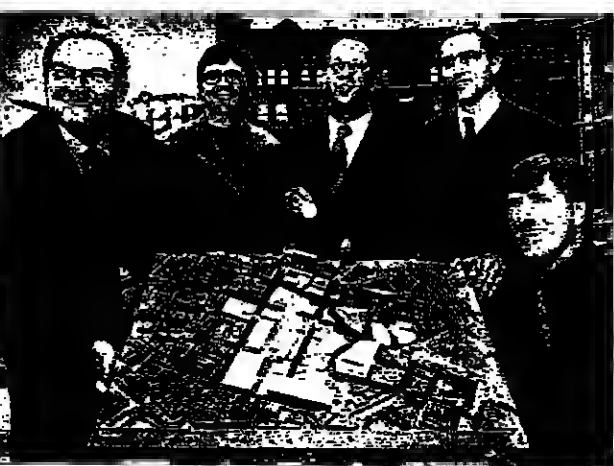
# Trees and plenty of paint revive the blasted Arndale

Jonathan Glancey

Manchester has chosen the most conservative of five short-listed teams to rebuild its city centre after the IRA bomb. Edaw, a local consortium of architects, engineers, planners and builders, plans to keep the devastated Arndale Centre, although it will be clad in a coat of new colours and pierced with pedestrian walkways.

The design team plans to create new tree-lined thoroughfares, or avenues, leading to a host of new leisure and entertainment centres. These will include a winter garden near the site of the bomb-damaged bus station and a new "Trocadero" behind the facade of the landmark Maxwell House building. The core of the plan is a broad avenue leading through some of the areas worst affected by bomb damage; this will pass through a new city centre park.

The Edaw team will need more than a little magic to bring new life into the heart of the city blown apart by a 3,300lb bomb on 15 June. The bomb-killed no one but caused an es-



In their hands: Winners and design Photograph: News Team

timated £500m damage, wrecking more than 1,000 square metres of shops and offices.

Announcing the winning team yesterday, Sir Alan Cookshaw, chairman of the taskforce set up to rebuild the city, said: "Our aim is to create the very best city centre in the whole of Europe, but most importantly one which the people of Manchester can be proud of."

Whether or not the people of Manchester are proud of the famously ugly Arndale Centre, which took the brunt of the blast, Sir Alan did not say.

Responding to a questionnaire after the bomb, Mancunians complained of a city centre that was "dead as a place where people live"; Edaw has replied with plans for 240 new homes in the rebuilt city

centre. Richard Leese, leader of Manchester City Council, said the project would create "a simple but memorable city centre, clearly deliverable within the time-scale and budget". The time-scale is the end of 1998; the budget has yet to be decided, although Edaw has an initial fund of £22m to draw on. Millennium funding is to be sought.

If the design is conservative, that is because the city wants to get back on its feet as quickly as possible. The judges' choice has made it clear that what was wanted was a team and a design that could give birth to a new centre on a tight budget and in the shortest possible time.

It is significant that none of the five design teams short-listed for the competition included big-name architects, despite the fact that the Richard Rogers Partnership, for example, is currently working on a facelift for Shanghai, and both Lord Rogers and his former partner, the Genoese architect Renzo Piano, are redesigning Potsdamer Platz, the Piccadilly Circus - or Manchester Piccadilly - of central Berlin.

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# Boris Yeltsin, who ran Russia on half a heart, puts his fate at last in the hands of surgeons



Finest hour: Yeltsin takes to a tank and urges Muscovites to resist a coup against President Mikhail Gorbachev



Waiting in vain: No explanation is given when Prime Minister Yegor Gaidar is left on the tarmac



The clown: US President Bill Clinton is reduced to tears of laughter by Yeltsin at the UN's 50th anniversary



Bad boy: Yeltsin sexually harasses a secretary at a press conference, further tarnishing his reputation



Dancing bear: Groovy times on the campaign trail as Yeltsin creates a stir in the 1996 presidential election



Paying the price: Exhausted after the election, Yeltsin appears on TV to explain his need for a heart operation

Crucial decision in next few days as team gambles on whether to take president off respirator

Boris Yeltsin has entered a critical 48-hour period when surgeons will get a clearer idea of the success of the multiple heart by-pass operation on which his presidency, and the future of Russia, so crucially depends.

Doctors will today decide whether they can take him off a respirator following the seven-hour operation, during which they stopped the President's heart for 68 minutes. After that comes another crucial moment - discovering whether he can again control his own

breathing. Five hours after the operation the President, 65, recovered consciousness and opened his eyes, said Yegor Gaidar, who for years treated Leonid Brezhnev.

The announcement came after a day in which, for the first time, the world was given information about a complex operation on a Russian leader, and heard from surgeons who worked on the organ that has obsessed so many for so long.

Rinat Akhmedov, head of the 12-strong team, said the operation had gone well but disclosed that it had involved

"much more" by-pass than the three or four anticipated, which suggests that the President's heart was more diseased than was realised.

There had been no unexpected problems but Mr Yeltsin still faced the "very important stage" of post-operative treatment. The first few days after a coronary by-pass are critical, as they establish whether any damage to other organs has been inflicted during surgery.

But Dr Akhmedov said that, "touch wood", Mr Yeltsin may decide to sign a decree today or tomorrow taking back the power

of office he temporarily transferred to his Prime Minister, Viktor Chernomyrdin.

Michael DeBakey, the American cardiologist who led US and German advisers, said the operation was a "complete success" and predicted Mr Yeltsin would be able to perform his duties in a "perfectly normal fashion". He may be active long after his second term expires in 2000 - most studies show almost three-quarters of by-pass patients are leading a normal life 10-15 years after the operation, said the surgeon.

For Mr Yeltsin's government and supporters in the West, the operation was not before time. It followed 15 months in which he had two and probably three, heart attacks. In his absence, his entourage jockeyed for power, while the country was buffeted by political and financial crises.

Yeltsin saw evidence of that when hundreds of thousands took to the streets for a day of strikes and rallies, largely over wage arrears. But it will be some time before Mr Yeltsin can tackle these issues. Although Dr Akhmedov said he may be able to begin work as soon as next week, he

will be, at best, a part-time president until Christmas.

The first sign the operation was pending came early yesterday, when the President's motorcade left the sanatorium where he was staying and headed for the Moscow Cardiological Centre. It was exactly two months after he confirmed to television viewers what had long been suspected: he had heart disease and needed surgery. Doctors later diagnosed one blocked and three partially blocked arteries.

His surgeons said they decided to go ahead when he was

in "optimum" condition - rid of early problems with an over-active thyroid, internal bleeding and anaemia. But its timing, on the day of the US election, was stage-managed, as was media coverage. The surgeons' conference was restricted to what aides called a "golden group" of 100 correspondents, a fraction of the thousands in Moscow at present.

To the indignation of the President's staff, the world was denied news of the start of the operation for 30 minutes, because Russian agencies distrusted the initial announce-

ment and wanted to check. But the operation's progress was thereafter reported by Russian media throughout the day.

Mr Yeltsin's spokesman said he joked with doctors as he went into the operating theatre. But last night, as they awaited the outcome of their work, the mood was more subdued. A number of critical questions remain. For instance, has the operation caused any brain damage? Such issues will be prying on the mind of Mr Yeltsin's wife, Naina. "Pray God that it will work out okay," she said after the operation. She was, she said, "very worried, of course".

## Under the knife at Moscow's finest

Helen Womack  
Moscow

As President Boris Yeltsin went under the surgeon's knife yesterday, Alexei Nesterov, an ordinary Russian citizen, was nervously awaiting a similar heart bypass operation.

After he suffered his second heart attack, a month ago, doctors told him he should undergo the operation, which is routine in the West but still rarely performed in Russia. "To be frank, I wasn't keen. They had to persuade me," he said. "You see, I was a doctor myself and we doctors are all cowards. We know that 2 per cent of patients die during this kind of surgery."

But Dr Nesterov, at 62 three years younger than Mr Yeltsin, had no complaints about the standard of care he was receiving in Moscow's Botkin Hospital. "Of course no specialist from Texas will fly out to advise in my case," he joked. "But I am

perfectly satisfied with how I am being looked after here. The doctors are excellent, I am sharing a nice little ward with only one other person and they are feeding me well."

The 1,800-bed Botkin Hospital, founded 85 years ago with money donated by a pre-revolutionary Russian merchant, comes as a pleasant surprise after all the horror stories one hears about the state of Russian medicine.

True, the hospital is prestigious, being the centre to which foreigners are always referred if they fall sick in Moscow. But the majority of its patients are Russians receiving state treatment, free of charge if they are residents of the capital or the surrounding region.

"Five years ago, when the West was sending humanitarian aid, things were difficult," said Vladimir Yakovlev, the hospital's chief doctor. "We really did need help then. But the economic situation is slowly

improving. We are getting modern equipment and have all the medicines we need."

The cardiology department, newly renovated, is the showpiece of the hospital. The doctor in charge, Shamil Arifulin, offers me a cigarette, then realises he has perhaps blundered and there is no toilet paper in the lavatories.

But the 12-bed unit gleams and whistles with the latest computerised equipment from America. The department deals with emergency cases brought in by ambulance and examines other heart patients in a 50-bed unit. But if they need surgery, they go to other hospitals.

Dr Nesterov will not have to wait for his operation and afterwards, he will be sent to a sanatorium in the woods outside Moscow to convalesce. "It won't be Borkhills [Mr Yeltsin's sanatorium] but it could be Peredelkino, you know, where Pasternak lived, and that's just as good," he said.

## PM has charge of nuclear arsenal

Phil Reeves  
Moscow

It was a moment for which the Kremlin has been planning for weeks. Just before surgeons operated on him, President Boris Yeltsin signed Decree 1,534, transferring his powers to his Prime Minister. At 7am yesterday Viktor Chernomyrdin became President of the Russian Federation, with command of the so-called nuclear button.

Although the post is temporary, he was well groomed. Nine days ago the NTV channel broadcast a profile aimed at proving he is not the dull bureaucrat he might appear but a thinking, feeling, red-blooded Russian male. A man, in other words, the public could trust.

He was shown playing billiards, riding a jet-ski, playing an accordion. He confided he liked attractive women and hunting (Russian politics are undecoded by political correctness) and even admitted enjoying the occasional vodka.

For many, it was the most charismatic performance he had seen by a prime minister known more for his reliability than his water-skiing skills.

The former gas-industry executive has been one of Mr Yeltsin's most trusted allies during his four years as Prime Minister and his brief reign may be a warm-up for greater things. He has a powerful constituency in the energy lobby and is tipped to be the establishment's candidate in the next presidential poll. But if he is to win round Russia, he may have to do a lot more accordion playing.

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Pax Americana: US marines charge off a beach in South Korea yesterday during annual exercises near the North Korea border. South Korean forces exchanged fire with North Koreans. Photograph: AP

# Suicide of sex-row QC shocks Australia

**Robert Milliken on a new twist in a royal commission's inquiry into child abuse and corruption**

Sydney — Australian politics were in turmoil yesterday after a former judge committed suicide following allegations in parliament related to an inquiry into paedophiles.

David Yeldham, 67, who formerly sat in the New South Wales Supreme Court, was found dead in his car at his home in the up-market Sydney suburb of Hunters Hill. Police said there were no suspicious circumstances.

A QC who was married with three children and had four grandchildren, he had been shaken after Frances Arena, a Labor member, made a pointed reference to him in the New South Wales state parliament last week when she attacked the inquiry by a royal commission and accused it of giving preferential treatment to "prominent people".

Mrs Arena has been waging a campaign against paedophilia, claiming that top people in Australia have been spared serious examination during the commission's investigation.

She asked in the Legislative Council in Sydney last week: "What about former Supreme Court judge, David Albert Yeldham — was he, or was he not, interviewed?"

She added: "I am not insinuating anything about the character of the former judge by naming him. I am only saying that this is an example of a person who appears to have been given preferential treatment when, for instance, Anglican and Catholic bishops were not."

Mr Yeldham instantly defended himself. "I am not a paedophile, I've never been a paedophile, and I hate paedophiles," he said. "A terrible mistake must have been made by someone."

Retiring in 1990 after 16 years on the bench, Mr Yeldham had taken up a post as director of the National Association for the Prevention of Child Abuse and Neglect.

Mrs Arena has never produced any evidence to substantiate her insinuations, which sent shockwaves through Australia's political establishment.

Even before Mr Yeldham's suicide, MPs from both sides of politics, including Bob Carr, New South Wales Prime Minister and Labor leader, attacked her for abusing parliamentary privilege.

The suicide has brought widespread calls for him to sack her. Dressed in black, and speaking in a sombre tone, she appeared before the press yesterday and declared: "I have acted according to my conscience."

Mr Yeldham's death has also focused attention on one of Australia's most sensational, lengthy, controversial and most expensive public inquiries. The royal commission, conducted by Mr Justice James Wood, another Supreme Court judge, began in 1994 after political pressure forced the then New South Wales government to set up an inquiry into corruption in the state's police.

After exposing shocking corruption among top executives, the commission turned its attention to alleged police protection of paedophile rackets. But there have been strong attacks on the commission's methods. John Marsden, a prominent lawyer, said at least nine people had committed suicide as a result of the inquiry.



Poisoned by fumes: David Yeldham, named by an MP

## significant shorts

### US soyabean ship sailing into a storm

**Ideal Progress**, the first ship carrying genetically modified soybeans from the US, was due to dock at Hamburg, where it faced protests. US harvesters of the beans, developed by Monsanto corporation to be resistant to one of its herbicides, are not separating them from normal ones and products made with them, including 30,000 foods, will not be labelled as such. Yet a survey for Greenpeace says 73 per cent of German consumers would avoid such products for now. *Charles Arthur*

### Six tried over Baltic killings

Six Lithuanian former Communist leaders went on trial over the Soviet attempt to crush the independence movement and the killing of 13 people at the storming of the Vilnius television tower by Soviet troops in January 1991. If convicted, they could face the death penalty. *Adrian Bridge*

### Nicaragua tense as poll dispute deepens

Tension rose in Nicaragua after the Sandinista National Liberation Front urged supporters to protest against alleged electoral fraud. Presidential elections were held 17 days ago but the result is yet to be given. In its strongest statement since the election, the Front also called for voting to be re-run in more than half the country. The statement raised fears of clashes between its supporters and those of the conservative Liberal Alliance, which appeared to have won the vote. *Phil Davison*

### Sentence plea by activist

The dissident Wang Dan appealed against his sentence of 11 years' jail for plotting to overthrow the government, a court official said, declining to elaborate. Peking Number One Intermediate People's Court took less than four hours last Wednesday to convict and sentence Mr Wang. *Rosier - Peking*

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## US ELECTIONS

# Despite the sleaze, Clinton heads for President

## President shows fine taste for re-election

David Osborne  
Little Rock, Arkansas

Everything was ready, just in case. There was suspense in the steaming kitchen of Doe's Place yesterday morning but it had little to do with whether their most famous (and famously greedy) customer, Bill Clinton, was going to win. Nobody doubted that. Rather, it was over whether he would answer their invitation and drop by. The meat patties and cheese squares were ready for cooking and Lucille, the President's favourite chef, had come in with her hair perfectly coiffed. "He hasn't replied yet, but he's a busy man and we can forgive him that," said Lucille, bearing a gold-toothed grin. Of one thing, she is sure: if he does come, he will eat and he will eat well. If it's lunchtime it will be cheeseburgers and fries, if it is for dinner, steak and shrimp. "He's still got a good appetite. A real good appetite."

Four years ago, when the votes for Clinton and Bush were being counted, there was real, heart-gulping suspense here. Would their man knock out the incumbent? If he did, what would he bring? Honour or disappointment? National healthcare or muddle?

Yesterday there was only syrupy anticipation - whatever the postmortems of the first term might say. Anticipation that the once-obscure governor of this still dog-patch state would achieve re-election - the first Democrat to be so rewarded since Franklin Roosevelt in 1944. And anticipation of monster-partying. Eight blocks down from Doe's, men in raked the last leaves from around the Old State House, the backdrop for the expected victory speech. And few blocks further down, the bandstand was being prepared for the assorted stars in town to honour Mr Clinton. Top of the hill: crooner Tony Bennett.

The President was playing coy most of yesterday, making only one pre-result appearance - to cast his vote with the First Lady at the city's now disused Union Station. Perhaps he was resting his voice and his emotions from the thrill of his final six-day swing through 18 states. More likely, he was simply girding for the exultant moment last evening that promised him sweet victory.

The final moment of what must surely be the final campaign of his life came at Little Rock's Adam's Field airport when *Air Force One* finally bore the President home at 2.26 am. In a Guy Fawkes celebration all of their own, the throng of his hardest supporters lit a blizzard of sparklers, and strained to catch a glimpse of their leader.

We did not have to wait long. Before even his aides get to summon the plane steps, there was the President sneaking a quick peek out at the crowd, like a child actor cracking open the

stage curtain to look for a parent in the audience. In a minute is descending the steps with Hillary and Chelsea.

There follows a few minutes of vintage Clinton. In this moment he is the essence of candidate Bill, back on home turf, finding the love of his fans and drinking it in giant draughts.

It should, of course, be a homecoming marred by some acknowledgement of the dreadful damage that his term has wrought on Arkansas's elite arising from Whitewater.

But back at Doe's, the owner, George Eldridge, is indignant that the subject of Whitewater need even be raised. "People in this town are just sick of hearing about it. What is so ridiculous is that the President has never been even the slightest bit motivated by money or greed. But the Republicans can never let go. They just can't stand the fact that he is going to be President again."



Happy families: Bill Clinton kissing his daughter after his last rally in Sioux Falls, North Dakota

Photograph: AP

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## Struggle for Congress in the limelight

John Carlin  
Washington

The presidential election having been ruled a no-contest almost from the moment Bob Dole won the Republican nomination, it is the elections for Congress that have been generating all the suspense.

Republican leaders in the Senate and the House made plain in recent weeks that they were concentrating their energies on the congressional cause more than on the race for the White House.

What is at stake, at one level, is whether a Clinton presidency will be more hamstrung than presidents usually are by an uncooperative legislature.

Such is the nature of the Constitution, fixated as the Founding Fathers were on preventing a return to "tyranny", that even if the Republicans lose both houses by a slender margin, their capacity to paralyse White House initiatives will remain great.

Where interest resides more in political terms is whether Congress would be more or less energised to pursue investigations into Mr Clinton's alleged improprieties, including Whitewater and charges that the White House traded favours for Asian companies for campaign contributions.

A Republican defeat in the House would wipe the grin off Newt Gingrich's face, whose removal from the Speakership would be the demise of his career, and would bring a smile of relief from Mr Clinton.

Not that investigations would be nipped in the bud, but with the President's allies holding all the committee chairs in the House, notably the committee on ethics, he would have reason to believe that the impending blows would be softer than they otherwise might have been.

The Republicans set the precedent with their investigations of the past year into the record of Mr Gingrich, who is alleged to have engaged in numerous abuses to steer money improperly to his party campaign coffers. First, the investigations were not conducted with the alacrity and rigour that might have been expected had the Democrats been in charge. Second, the findings so far have been hedged in ambiguous language, allowing him the openings to retort that he

has been more sinned against than sinning.

It is in the reasonable hope of receiving gentler treatment from a Democrat-led House that Mr Clinton will have been watching the outcome of the congressional elections with more than usual presidential interest.

As to legislation, members of Congress on both sides have been saying privately for much of this year that they have learnt their lesson from Mr Gingrich's failed "Contract with America". Any attempt to introduce radical changes, to set about a "revolution", are frowned upon by a fundamentally conservative electorate wary of politicians who seek to alter the *status quo*. The re-election quest eternally remaining uppermost in their minds.

**A Republican defeat in the House would wipe the grin off Newt Gingrich's face**

members of Congress have been warning their friends in Washington not to expect anything big these next two years.

Where the public is demanding significant change, however, is in the area of campaign-finance reform, which has assumed such national importance that it has ceased to be a partisan political issue. It will be intriguing to see whether Congress does finally seek to address this cancer at the heart of American politics, especially as this time round they can be certain of the President's support, for Mr Clinton will not be required to raise campaign money again.

If legislation does not go through, as it may well not do, since congressional incumbents find it much easier to raise funds than their challengers, the one thing that may be said for sure is that the public's already profound discontent with their elected leaders will only deepen. All the more so if Congress manages successfully to sully President Clinton's historical name.

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# sweet victory and the history books

## Cynicism wins by a huge consensus

John Carlin  
Washington

The conventional view of the US election is that the Artful Dodger, in Gore Vidal's description of Bill Clinton, defeated the guileless codger. That the slick, unprincipled politician of the president were always going to prove too much for good old plain-spoken Bob Dole.

Hence the question, thundered from Republican pulpits: "Whatever became of honour, decency, integrity in American national life?"

The answer is ready at hand. If you look closely at the thousands upon thousands of polls

### The economy is doing fine, Mr Clinton looks good, so why go for an out-of-touch old man?

and political focus group sessions that have been conducted the length and breadth of America in the last year, you will discover that the runaway winner of the 1996 election was never going to be Clinton or Mr Dole, Democrats or Republicans. The winner, by a huge bipartisan consensus, was cynicism, a perception that American politics are dirty, that politicians are crooks and liars.

Mr Dole, when he finally got around to defining his electoral message, sold himself as a man of character, a man of his word – the president who would have restored upright values to the White House.

The message did not resonate because while the Republican faithful were all too ready to believe it, the nation as a whole did not. Or rather, they chose to see the moral difference between the two men as one of degree. The economy is doing fine, Mr Clinton looks good and talks well. So why go for an old man who, for all his heroism in the war, has, after all, spent the last 36 years of his life playing the sordid Washington game?

The electorate's logic has

been driving conservative commentators to despair. William Safire, the *New York Times* columnist, has written about nothing else this last month, deploring "the absence of outrage" at the "shamelessness" of the Clinton administration.

The truth that many of the political partisans in Washington choose to ignore is that the public is outraged – but at both sides. Mr Dole might be the better man, but he inhabits the same cesspool as the president and has played by similar rules.

Let us consider briefly the litany of Mr Clinton's sins. There is Whitewater and our knowledge that he fraternised, at least, with a cabal of Arkansas thieves; there is Travelgate and the allegations that Hillary Clinton fired the staff of the White House travel office and replaced them with her chums from Little Rock; there are the hundreds of FBI files the White House procured in what might have been an attempt to accumulate dirt on political rivals.

More recently, and this has been at the heart of Mr Safire's raging indignation, there have been reports of illicit campaign fund-raising in the Far East. And, hovering over everything – and far more familiar to the general public – there has been the president's near-inhaling and his history of philandering.

Now let us look at the record of Mr Dole. As for philandering, Mr Dole is no saint. Possibly, if the unverified stories are true, Mr Clinton has been more prolific, but Mr Dole did have an affair some 30 years ago, towards the end of his first marriage to a nurse at the hospital where he recovered from his grievous war wounds after the Second World War.

After Mr Clinton's affair with Gennifer Flowers, he kissed and made up with his wife. Mr Dole told his first wife it was all over with a typically terse "I want out" and abandoned her and his teenage daughter, begging the question: what, if anything, can Mr Dole teach Mr Clinton about "family values"?

As to dirty politics, it is on the record that Mr Dole has been far from immune to the blandishments of big business during



Final salute: Bob Dole, with wife, Elizabeth, ends his campaign before the Harry Truman statue of Independence, in Missouri, at 3am yesterday. The statue commemorates Truman's surprise, or 'upset', 1948 victory. Photograph: Reuters

his senatorial career. No company has contributed more campaign money to Mr Dole than the Gallo wine company. In exchange, Mr Dole went to great lengths to introduce legislation specifically, and successfully, aimed at improving Gallo's profits. Mr Dole also

used his position to bolster the business of Archer Daniels Midland, a giant food company, which reciprocated not only by way of large campaign donations. In 1982, the chief executive of Archer Daniels sold a condominium in Florida – where Mr Dole spent last night

watching the election returns – to him at below market price.

If Mr Clinton was at a disadvantage on the moral terrain, it was partly because he chose not to attack Mr Dole personally – itself no so much an honourable calculation as one based on focus-group testing,

which shows the public is repelled by negative campaigning.

If the character question is dead in Americans' electoral calculations, it is not Mr Clinton who is to blame. Politically ignorant as the US public may be, when they say "they're all the same", their instincts are good.

## Weary old warrior ends last crusade

Rupert Cornwell  
Washington

The old soldier's last campaign ended yesterday, where the first one began all of 45 years ago when he first became a representative in the Kansas state legislature. Bob Dole was back in Russell, casting his vote in a Presidential election he seemed destined to lose by a mile.

What probably were the final hours of Mr Dole's political career, spent mostly in the deep night of the American Midwest, have been surreal – a mixture of a campaign's obligatory optimism and a candidate's lacerating honesty as sheer weariness strips away his ability to pretend. "I've done what I can do – all I can do. Nothing I can say will change what will happen today."

For 96 hours before Russell, Mr Dole had whizzed across the country, logging 10,534 miles that had taken him to 29 rallies in 20 states, with barely a pit-stop. Sometimes his voice virtually gave out, in Houston his campaign plane *Citizenship* had a flat tyre, but still he kept going, driven by little more than pride and the desire to prove that at 73-years-young he could cope with a schedule that had reporters half his age wilting and buckling with exhaustion.

Earlier he had paid the obligatory stop 200 miles to the west in Independence, Missouri, home town of Harry Truman, patron saint of electoral victories snatched from seemingly certain defeat. It was 3 o'clock in the morning, but 2,500 people were on hand to listen.

"The tide is rolling all over the country," Mr Dole proclaimed, standing in front of the great man's statue outside the old courthouse and using words Truman used during his legendary surge to victory over Thomas Dewey in 1948. "I have seen it in other people's faces. The people are going to win the election."

If Mr Dole does so however, the miracle would eclipse even Truman's feat of 48 years ago – a surprise that would discredit the opinion polling industry.

for a century or more. In that year, "Give 'em hell" Harry turned around a deficit of 13 per cent in August, which had shrunk to 5 per cent in the final published poll, some three weeks before the election. This time Mr Clinton held a double digit lead right up to voting day.

And in his wry, self-mocking fashion, the candidate himself seemed to acknowledge his fate: "I don't believe in the polls, but I'll tell you about the good ones." But the tour, and the headlines it has generated, have already prompted wishful thinking in the Republican campaign: if only, if only. If only Mr Dole had done something like this earlier, when there was

### In his wry, self-mocking fashion, Dole himself seemed to acknowledge his fate

still time. In these last 24 hours the ordeal has been taking a visible toll, not just on Mr Dole, who has kept going on biscuits, water, throat spray and a herbal tea called Throat Coat, but on his wife Elizabeth.

Even so, and despite the candidate's croaking voice that cut his stump speech to a bare 10 minutes, his sometimes dispirited demeanour, the odyssey has acquired an elegiac tone. "This is the last crusade of a great warrior," Senator John McCain of Arizona told a rally at Des Moines, Iowa, shortly after midnight, as the candidate stood behind him, blinking back tears.

"He is one of a generation of Americans who went out and made the world safe for democracy, so that ourselves and our children could have far better lives... be returned to a life of service, not only for the people of Kansas but the people of this country." In 1996, Mr Dole's generation may have been one of the factors which doomed him.

But as a politician's epitaph, there could be no finer.

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## international

Conflict in Zaire: Urgent calls for intervention

# Looters move in as refugees flee rebel force

Mary Braid  
Goma

In the shadow of the giant volcanoes that dominate eastern Zaire's border with Rwanda, the rebel soldier's uniform seemed particularly shabby. But his eyes shone with conviction.

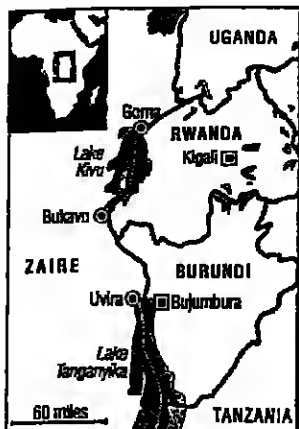
"President Mobutu has done nothing for our country," he said. "Zaire is rich and yet our people are so poor he did nothing to develop it. We have come to liberate our entire country and all the people in it."

In the main street, just a few hundred yards away, the liberated were doing a little final looting in shops and international aid organisation offices. Buildings were first ransacked at the weekend when the Zairean troops were run out of town. Goma was the third main town in eastern Zaire to fall to the newly formed Alliance of Democratic Forces for the liberation of Congo Zaire.

For two days, Goma's new military leaders had been cleaning up, before allowing journalists to cross the piece of string, slung between a peeling wrought iron chair and a bamboo stick, which marks the beginning of the border crossing on the banks of Lake Kivu.

But the blood-stained floors yesterday were evidence of war - with estimates of hundreds dead. In Goma's main street, looters tramped over discarded Zairean banknotes, worthless in this collapsing country where inflation is 7,000 per cent.

Small wonder that everyone seemed to be stealing something. Children struggled home with boxes of biscuits stamped United Nations High Commission for Refugees, and in the main street people crowded round UN lorries for food and fresh water, once destined for the millions of Rwandan Hutu refugees whose arrival in Zaire in 1994 triggered the crisis now engulfing the region and threatening the security of central Africa.



Of the Rwandan refugees there was no sign, but more than 700,000 of them are believed to be trapped between battle lines. The humanitarian disaster facing them is the latest stage of the nightmare which began in 1994 with the genocide of Rwanda's minority Tutsi population by the majority Hutus. Two million Hutus fled the country when the Tutsi army

Nairobi, (Reuters) - African leaders called for the urgent deployment of a neutral force in eastern Zaire to protect more than a million refugees dependent on a UN Security Council decision.

The one-day summit, which was not attended by any Zairean representative, called on the UN Secretary-General, Boutros Boutros-Ghali, and the Secretary-General of the Organisation of African Unity (OAU), Salim Ahmed Salim to co-ordinate on the proposed move.

won the civil war. In three evil months, they wiped out 800,000 Tutsis, and they feared reprisals.

Many refugees who tugged the international heart-strings were themselves perpetrators of one of the worst atrocities in recent history; the extremists who masterminded genocide have continued to create havoc. They

turned the refugee camps into militia bases from which to hit at the new Rwandan government, and in Zaire they escalated persecution of Tutsis who had lived there for generations. Yesterday, Robert Gribbin, US Ambassador to Rwanda, said the refugees had been a key element to regional destabilisation, and the need for their repatriation is now the orthodoxy.

Yesterday Andre Kasashe Ngandu, Goma's new military leader, said the refugees must leave so the rebels could abandon the ceasefire they called on Monday and resume their fight with the Zairean government.

The Zairean government bred discontent by denying Zairean Hutus and Tutsis citizenship in 1981, but it was the Hutu camp militias that encouraged local politicians to order local Tutsis to leave the country or be killed. The seeds of revolt were sown. Despite Rwandan government denials, most observers believe that, faced with Hutu threats on its own border, it has helped and even orchestrated the uprising.

But Zaire's insurrection is unlikely to subside if the refugees go home. The rebels insist they will take Kinshasa though they may have to build a road to get there for the country is ruined after 30 years of Mobutu rule; roads have been reclaimed by the jungle and communications are almost non-existent.

Eastern Zaire's rebels have support from other regions. "I come from Shaba province," revealed the soldier with the shabby uniform. "Many of us come from Shaba and also from Kasai." Both provinces are already virtually independent of Kinshasa.

Mr Ngandu says President Mobutu's return from Europe, where he has been receiving treatment for cancer, will change nothing. "He is terminally ill and finished as a political force. This is not just a regional war."



Flag of pride: International Brigade veterans Sam Russell, left, from England, and Jager Martin from Germany, next to a monument unveiled yesterday to honour their fellow fighters who died in the Spanish Civil War from 1936-39. Photograph: Sergis Perez/Reuters

## Hong Kong passport security row

Stephen Vines  
Hong Kong

Concern is being expressed by Home Office officials over the security of passports to be issued in Hong Kong next year which will provide visa-free access to Britain.

These concerns are linked to a brewing scandal in the colony over the sudden resignation of Lawrence Leung, the former Director of Immigration who negotiated a deal with the Chinese authorities under which what will become known as the Hong Kong Special Administrative Region (SAR) passport will be produced by Hong Kong's largest pro-Peking publishing and printing house.

It had been thought that the

printing contract would go to the De La Rue passport-printing plant in Dunstable, or possibly to the former De La Rue bank note factory in Hong Kong, now owned by the colony's Monetary Authority.

However, at the end of last year, Mr Leung travelled to Peking, where he reached an agreement for the new passports to be made by the Hong Kong Commercial Safety Printing Company, which has no previous passport-making experience. The concern centres not on the ability of the company to make international-standard passports, but on the level of security in their distribution.

This is particularly a problem for Britain, for not only has it announced that SAR passport-

holders would be given visa-access for a trial period of two years, but the Foreign Office has been actively encouraging other countries to accept the document and provide equally relaxed entry rights to Hong Kong residents.

When John Major announced the visa-free arrangements last March, he was met by a storm of protest from Conservative MPs worried by an influx of Hong Kong residents. Fears were also expressed over the administration of travel documents issued by a Chinese-controlled government.

Hong Kong's government insists that an inquiry is unlikely to find any fault, but that there was no reason to be concerned over the printing of the

passports. However, the administration is severely embarrassed by suggestions that the new passport may get into the hands of persons who are not entitled to hold it.

At least one Commonwealth country is understood to have made strong representations on this matter because it was led to believe that the new passports would be produced in the same way that existing Hong Kong travel documents are produced, and not by a company which is closely linked to China.

Hong Kong legislators are poised to start an investigation into the circumstances of Mr Leung's sudden decision to take early retirement, which came into force overnight rather than the customary pe-

riod of 12 months. Using parliamentary privilege, some legislators have aired allegations about Mr Leung which have appeared in newspapers.

He was well-known to have unusually good contacts with the Chinese authorities and was accused of passing information to them which would have damaged the security of dissidents and members of the civil service who have secretly applied for British citizenship.

The Home Office said production of the passports was a matter for the Hong Kong government. However, a spokeswoman said: "As far as security goes, the British immigration services have the best record in the world for the detection of fake travel documents."

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# Beware, big business is watching you

Did you see *Total Recall* on the telly last night? Remember the plot of *Robocop*, or *Blade Runner*, or *Alien*? Many of our most popular science fiction films have a recurring theme – the corporate giant who proves to be the unseen hand that rules the world. And these stories are generally intended as reflections on the present day, just as George Orwell's 1984 was written as a reflection of life in 1948. Orwell took the implications of "100 per cent Americanism" in the US (the ideology that led to McCarthyism), and Stalinism in the Soviet Union and ended up with *Big Brother* and the Ministry of Love. Were he to write today a book called 2069 to reflect life in 1996 he might well choose to build a story of corporate rather than political power.

Of course, we've always known that these fantasies are just that: overstated extensions of a trend towards big business power, but no real reflection of how life is lived. But hold on a minute: how close are we to corporate totalitarianism? Some might say it is closer than we think. And events this week might provide them with at least a little indicative evidence.

The industrialised world at the end of the 20th century is often referred to as an era of deregulation, privatisation, globalisation, and – in theory as a result of these three things – growing competition. But a quick glance at the merger now planned by British Telecom, the

transatlantic alliance advocated by British Airways, and the inexorable growth of the hi-tech communications companies of men such as Rupert Murdoch and Bill Gates, seems to tell a rather different story. These powerful corporate networks straddle national boundaries, and seem to be able to overcome local political constraints. Could they be the core of a rather disturbing trend towards communications giantism who sit above democratic national control?

British Telecom's proposed merger looks innocuous enough. The company wants to join the US telecommunications company MCI – the one with strong links to Rupert Murdoch's News Corporation. The merger will give BT executives access to only one of the world's largest telecommunications companies. But it will also give them access to the world's largest US airlines, and BT's own national channels will be able to compete with the global market.

BT developments represent a new kind of globalisation, one that is not so much about the global market as about the global market. BT is not a global company, but it is a global market. BT is not a global company, but it is a global market. BT is not a global company, but it is a global market.

Coca-Cola have been sold for decades to multinational companies through the global market. But BT is not a global company, but it is a global market. BT is not a global company, but it is a global market. BT is not a global company, but it is a global market.

new international conglomerates are emerging to deal with them. But globalised companies need not necessarily mean national monopolies. BT's links with MCI should not affect the level (or lack) of competition in the British telecommunications market at all. Admittedly when all the players are big guys, it is much harder for new entrepreneurs to break into the game. However, so long as there are several big global companies competing in the British market to offer us phone lines, Internet connections, television entertainment, and so on, then consumers should not suffer too much.

While there is proper regulation within countries, and appropriate co-ordination of regulatory regimes across countries, the nightmare of corporate totalitarianism will remain a Hollywood nightmare. Big boys may run the game, but good regulation should ensure that the little children can play too, and, with a bit of luck, keep on the big boys' heels.

Only, there is a catch. Maintaining competition and protecting consumers depends on active government and astute politicians. Politicians in many countries are oblivious of both the opportunities and the dangers, because they are unable to grapple with the domestic implications of multinational deal-making. Too often, also, they are too intimidated by the power of the communications giants. Plenty of politicians and political parties have always sat in the pockets of big vested business interests. But with competing interests, competing politicians, and a free press, the public can still find out what is going on and vote corrupt cutpurses out. But in the modern media age, all politicians depend on the companies that control the communication network – and they are beholden in a way that is almost unprecedented in democratic political history.

The role of government and of good democratic politicians is to defend the public interest against over-riding private interests from one side or another. The dangers of political totalitarianism, where politicians use the state to con-

control countries in their own interest, seem remote to Western democracies these days. But we rely on politicians to regulate the global market to protect us against corporate totalitarianism too – and it isn't clear any more that they are able or willing to do so. *Total Recall* is still a daft tale – but a sensitive mind could be forgiven for reading it as an ominous warning.

## You have to be ruthless, Auntie

The BBC produced 230 promises of good behaviour yesterday. Most were repeats. The corporation promises to be tasteful, decent, and impartial. It will curb violence and bad language, even when those are necessary to interview politicians properly. John Birt, announcing these promises and principles, called his employers "the world's greatest cultural institution". The World's Greatest Cultural Institution has spent more than £430,000 on this manifesto, which as well as 230 promises contains five principles and 10 pledges, all expounded with the help of pinpoints of excellence ranging from Chris Evans to Wallace and Gromit. If the Labour Party can get its manifesto on the back of a credit card, surely the BBC can manage a little editing?

## LETTERS TO THE EDITOR

### Why Africa doubts US peace plan

Sir: As suggested in your leader of 30 October, the Zaire-Burundi-Rwanda situation has clearly gone beyond the point where direct military intervention from outside would be either feasible or effective.

In the longer run a peace force may well, as you say, be the best hope for Africa's future but there are good reasons for African states, especially South Africa, to treat the American offer to back a Sub-Saharan "Crisis Response Force" with caution.

I was in South Africa during the recent visit by the US Secretary of State and had the opportunity to discuss the issue with key South Africans before the meetings with Warren Christopher.

Already there is a tendency on the part of the other states in the region to regard South Africa as potentially the United States' agent on the continent. For this and other reasons the country's leadership will resist the role of US surrogate.

The suggestion that the US would fund a separate force outside the authority of the UN, while at the same time being in arrears with its contributions to the international organisation, was not well received, especially in the light of America's declared intention to veto Africa's candidature for the next term as UN Secretary-General, Boutros Ghali.

Other concerns about active military participation in peace-keeping relate to South Africa's preparedness in military and financial terms for an indefinite or otherwise ill-defined commitment. Fear of a "Vietnam-type situation" is now perhaps more of an issue than the preparedness of the recently integrated South African National Defence Force (SANDF) for operations in politically sensitive situations such as Angola or Burundi.

Even so, the preference is for humanitarian and medical assistance and technical specialised activities such as landmine clearance, which South Africa is particularly well equipped to do.

Because of the progressive and necessary restrictions on South Africa's defence budget, the American proposal was financially tempting, but South Africa would clearly prefer broader-based support for building on its own initiatives for conflict anticipation and prevention within the recently formed Association of Southern African States (ASAS) and under the general authority of the UN.

In view of the composition of ASAS membership, and the peacekeeping experience of Commonwealth armies, there would be scope for collective Commonwealth participation. This has been canvassed as a possibility in some South African quarters. But failing or combined with that, there seems to be a real opportunity for Britain, France and other states of the European Union to develop a special relationship with Sub-Saharan Africa led by South Africa, which could be mutually advantageous in economic as well as strategic peace-maintaining terms. Professor WILLIAM GUTTERIDGE, Director, Research Institute for the Study of Conflict and Terrorism, London W2



### Clearing the air on fireworks

Sir: Things that go bang unexpectedly cause disorientation and loss of judgement. This applies both to the stun grenade and to comment on matters related to fireworks ("Deregulation blamed for Chinese-made peril", 5 November).

As a result of a couple of recent and most regrettable fatal accidents involving fireworks, cries are going up for more control, but reason is being cast to the winds and unrelated subjects are being confused.

It has been announced that the two fireworks involved were made in China, and that their importation should therefore be more controlled. There are two rational arguments for more control of such imports: the first is that the Chinese tend to incorporate pyrotechnic compositions which are considered to be dangerously sensitive by British standards (notably the admixture of chlorates and sulphur) and the second is that their relative cheapness represents a reasonable competition to British manufacturers.

The Government's decision to regulate the importation of fireworks has been held responsible for the marketing of some Chinese fireworks which may be dangerous, and is accordingly to be deprecated. On the other hand, the fireworks which caused the fatalities were mortar shells. These are fired at a steep angle from barrels, usually made of cardboard and typically between three and eight-inch bore.

### GPs forced to let down patients

Sir: As a general practitioner, I am always glad when debate about the future of the health service receives the prominence it should have, but the net effect of your most recent articles and correspondence is profoundly disheartening.

Only seven years ago, general practice was a satisfying and popular career choice for able doctors who valued its independence and its potential for personal patient care and the advocacy of individual needs. Now the profession is in crisis. We are expected to be dishonest brokers in an under-resourced system which has lost all sense of direction.

The right-wing think-tanks that willed and produced this result have been replaced by bodies like the Institute for Public Policy Research and the Social Market Foundation, whose letters you have printed.

At least the old right-wingers were honest about their intentions and pointed out that NHS funding from general taxation depressed health spending beneath the levels of other western societies.

Unlike Stephen Pollard of the Social Market Foundation, they had a faint smattering of historical knowledge and knew that the Labour Party's 19th-century roots lay in an awareness that friendly and mutual societies could ever begin to tackle the basic needs of every individual for medical and social care, especially as such needs are inversely related to individual income. To talk about the NHS's problems as purely organisational, or to see NHS/private-sector co-operation as the way forward, is fine if you accept that the devil is welcome to take the hindmost in our society.

### Bigger turbines a desecration

Sir: Tricia Allen of Friends of the Earth, (Letters, 1 November) "corrects" my figure of 40,000 wind turbines, which originates from the Department of Industry's Renewable Energy Advisory Group. Reducing the number to 10,000 demands huge machines, each generating more than one megawatt and over 200 feet high.

Ludicrously she compares these turbines with the windmills which once adorned our countryside. Mill sails rarely exceeded 80 feet in diameter and the total height of the structure was little more than this. Almost without exception they were in the lowlands.

The turbines would be in the uplands, on hill summits and plateaux, their 150ft aerofolios raised on concrete towers.

Look at the 103 flickering crucifixions of Llandinam. Imagine them twice as large. Ms Allen invites 100 such desecrations of the western uplands for a saving of CO2 emission which could be matched within a year by an organised programme of energy conservation.

JOHN ETHERINGTON, Haverfordwest, Pembrokeshire

### Sizzling Sixties?

Sir: Stephen Magill's interpretation of the women's hall of residence, which contained 80 bedrooms all without locks, may be naïve (Letter, 5 November). Since it was built in 1968, it may not represent a golden age of crime-free Britain so much as the Golden Age of Love.

LIZ SULLING, Orwell, Cambridgeshire

### Three cheers for Clinton

Sir: Far from ending the American century with a whimper (leading article, 4 November), a Clinton victory signals an exciting time for the centre-left across the industrialised world.

By bringing the budget deficit under control, Mr Clinton has shown that the centre-left can be trusted with a modern economy. During Mr Clinton's years in the White House, more than 10 million jobs have been created, business investment has grown rapidly, the growth rate has outstripped that of the Reagan and Bush years and interest rates have fallen.

Real disposable incomes rose by 4.9 per cent in the third quarter of this year while employment costs remain subdued. Mr Clinton has achieved that which has eluded Conservatives in both the United States and the United Kingdom – an investment-led recovery.

Yet the significance of a Clinton victory is in the battle of ideas. Monetarism has been put to sleep. Active government has won. Progressive policies such as the Earned Income Tax Credit, the school-to-work scheme and the raising of the minimum wage have helped ordinary Americans into work with decent wages.

Mr Clinton has proved that by giving people the tools to succeed in a fast-changing world economy, government does have a positive and active role in society. And that is of importance to the progressive cause around the world. Three cheers, not whimpers, for Mr Clinton. DAVID-JOHN COLLINS, Groombridge, Kent

### 'Missing' MPs were paired

Sir: Polly Toynbee's conspiracy theory about the "mysterious absence" of two Labour MPs for a crucial vote on the recent Broadcasting Bill makes interesting reading ("Will Parliament resist Rupert's grip?", 4 November). However, as one of the "absent" MPs, I have to disappoint her.

Had she had the courtesy to check with me, she would have discovered that I was in Luxembourg with the Public Accounts Committee investigating European fraud and that I was paired with Conservative MP Nick Hawkins. The other Labour MP was also paired, attending to legitimate parliamentary business. My understanding is that the only opposition MP absent for the vote without a pair was the Liberal Democrat.

ANGELA EAGLE, MP (Willesley, Lab) House of Commons, London SW1

### Unfair on fares

Sir: With reference to Matthew Nimmo's letter on benefit rules (29 October), last year I was unemployed and claiming benefit. I registered with an agency for casual labouring work and worked for two or three days a week. I was paid £25 a day for my work and spent £6 a day on travelling expenses.

When I told the benefit office, they promptly deducted that amount from my benefit but made no allowance for my (documented) travelling expenses. This meant I lost £5 from my weekly income for each day I worked. What price honesty? KEVIN PETTY, Middlesex University, London N17



Always he is dogged by scandal. No President, not even Richard Nixon, has been so scrutinised and psychoanalysed; yet despite a score of Clinton books, not to mention a best-selling novel, the 42nd President remains an enigma, even capable of reinvention. Is he a liberal, a centrist, a pragmatist without principle – or all three?

The conservative talk-radio hosts, who hate him, have no doubt that a Clinton liberated from the need to win elections will metamorphose back into the liberal they insist he has been all along. Almost certainly, they are wrong. The reasons are three: two practical and one philosophical.

Whichever party controls Capitol Hill will probably do so by a slender margin. If the Republicans retain a majority in both Senate and House (which seems probable), then a Demo-

In the best of all worlds, that co-operation would broaden into a bipartisan deal to rein in Medicare and Medicaid, whose projected runaway future growth has been the great unmentioned of Campaign '96. These past few weeks, Clinton has made much of the fact that during his term the deficit has shrunk from \$290bn to \$107bn. What he did not say was that, harranging a deal on the two federal entitlement programmes, the deficit will start to climb uncontrollably from 1997. And who knows: respectively Taiwanese or the Indonesian-Taiwanese follies and the con-

Second, do not underestimate the restraining force of Al Gore, the counselor to whom Clinton listens most and the most influential Vice-President of modern times. Mr Gore is no liberal; and more important, has every intention of dropping the "Vice" from his job description come 2001. That ambition would be wrecked were Clinton, whom he has served with unflinching loyalty, were to embark on a liberal binge.

For the rest, a few clues may be gleaned from his standard campaign speech. He will seek modest tax cuts, to help people to send their children to university, and buy their first home. There will be incentives for companies to take on workers previously on welfare; perhaps a small further measure of gun control; sundry small "pro-family" measures.

**B**ut then again Bill Clinton, with all his imperfections, is a man of his time. He was born in America at relative peace with itself and the rest of the world, an America of diminished fears but also of diminished expectations – not least regarding the presidency. Obscured by the posturing and promises of both candidates is the fact that an American President has far less power in the domestic arena than a French President, a British Prime Minister or a German Chancellor. He can blow up the world, but he cannot set interest rates or impose a budget; least of all can he fend off the recession that one day will end what is now the third longest US recovery since the Second World War. Since 1991, the economic cycle might

And look not for sweeping initiatives in foreign fields; the preferred theatre of second-term Presidents. The main one has probably already been launched: his campaign pledge that by 1998 Nato will have ceased expansion, whatever the objections the Russians may put forward. It is now an open secret that, contrary to previous assurances, some American troops will stay on in Bosnia into 1997. With the election over, Clinton may consent to a compromise over the tenure of Boutros Boutros-Ghali at the UN; maybe, now that the Jewish lobby need no longer be placated, he will get tough with Benjamin Netanyahu. He may aspire to be a peacemaker, but his greatest legacy would be a durable framework for relations with China, just as Ronald Reagan the former red baster is remembered

*On the Edge* was the title of one of the best of the books about the Clinton first term. If he remains halfway true to himself, then his second will be more of the same.

Whit

**Professor Hunter-Gatherer**  
will be back soon with more  
enlightenment on the way we  
live now. Keep those

صلى من الاصل



## Message for our leaders: ignore Clinton's America

Tony Blair is our Bill Clinton. He is young, telegraphic and very bright, and takes no prisoners. He is a brilliant politician of the centre-left who has come to a happy accommodation with much of the mainstream conservative agenda. He is, like Clinton, a child of the Sixties, who prefers jeans, wears his hair slightly long, listens to rock music. But, like Clinton, he has turned his back on some of that decade's legacy: he is pro-family, pious, stern on law and order; he makes austere noises about welfare reform.



Andrew Marr

Major and Blair have similarities with Bill Clinton. But they should learn no lessons from a mere campaigning machine

John Major, by contrast, is our Bill Clinton. He is the incumbent leader, repeatedly written off by wisecracking journalists. His administration has tacked, and has suffered from what we here call "sleaze" and the Americans, in a different context, call "the character question". But like Clinton, Major is a superb campaigner and comeback merchant who knows that it is always, at root, the economy. Like Clinton, he has been delivering economic recovery.

So which is it? Will the real Bill please stand up? Let's admit that these Atlantic-abolishing parallels are a game: the United States is a very different country, whose politicians play by other rules. The politics of Washington move in an asymmetric rhythm from that of the politics of London. But there is enough common daylight in British and American politics for the Clinton question to be an illuminating one.

And the answer, of course, is that Blair seems more like Clinton than the Prime Minister does; for to be "like" Clinton in 1996 is to be, above all, someone with the gloss and confidence of a winner. Had John Major been confronting a Labour Bob Dole – an unpopular, older politician – then perhaps he would seem Clintonesque. But he isn't, and doesn't.

Yet the Clinton comparison is one which Blair, if he is wise, will flinch from, and not only because it implies a weakness for trouser-dropping. Consider: when Clinton is so regularly, almost universally, described as a brilliant politician, what does this mean? Does it mean that he has changed American society? Not a whit. He has presided, literally, over a nation driven by globalised corporations, by the harons of the new technologies and by swift, sometimes fracturing social change, but little touched by the doings of the White House.

This recovery is not "his", in the sense that America's recovery from the Depression was built and directed by the Roosevelt administration. The country has entered these milder waters during Clinton's genial, loose-tillered watch, and this has helped him, keeping the electorate in relatively forgiving mood, but the growth, employment and inflation record has essentially been accomplished by American business and by the Fed.

Where, then, is his brilliance? It exists; but it is a technical thing. People talk of the Pres-

ident's phenomenal memory for names and his charismatic flesh-pressing; his instinct for dominating a room, for doing a deal, for scenting trouble. Hardened journalists are awestruck by his energy and resilience, by the enthusiasm for campaigning. People talk of the "political animal". That's Clinton – instinctive, with special eyes, hands, nostrils and teeth – built for winning votes, as Tyson is built for hitting people.

As ideology and savage political argument have gone out of fashion, then this animal skill has come to be rated ever higher. But for any politician who aspires to be radical or progressive, there is a trap here; a political-animal-trap.

It works because the second-order, technical expertise so admired in modern politics, and so exemplified by Clinton, does not move great masses of voters. They know that his reforms come from argumentative and brave leaders, and cause pain, and make enemies.

So, as the political class gazes admiringly at the latest glittering example of a great campaigner or a great party-manager at work, the rest of the world turns quietly away. Look at the pathetic voter turn-out achieved in yesterday's election in America; or the worryingly low rates of registration and intention to vote among younger adults here. A decade or so more of this and the

essential base of centre-leftish voting – the very mechanism on which Clinton and Blair depend – will have been eaten away.

In the end, if progressive politicians don't progress, preferring instead to follow the dominant conservative ideology of the day, then conservatives can only win. It may be infuriating for Republican or Tory activists to see cherished ideas being implemented by their political enemies; but why should conservative voters worry?

It is not, it seems, too late for Clinton. With the freedom of a second term, he could deliver at least some of the promises of his earliest national campaigning.

And, obviously, it is not too late for Tony Blair. If he wins in May, his real career in politics lies mainly ahead of him: all his essential choices on welfare, tax, political reform, Europe, the environment are as yet unmade and can be taken, if he chooses, in a progressive, self-certain spirit – there will be no Republican Congress to fret about.

It isn't surprising that Blair is relaxed this morning about the Clinton parallel – who wouldn't want to be tainted by awesome electoral success? Yet the idea that he should, in power, take lessons from the first Clinton administration is a dire one. In office, Clinton suggests not the brilliance of the campaign trail, but an ungainly political dance to somebody else's tune. So: Tony Blair – Britain's Bill Clinton? No thanks.

## The cost of being Europe's squaddies

by Polly Toynbee

Who do we think we are? We strut our stuff on the world stage, puffed up with imperial dreams way beyond our means – all fur coat and no knickers. We are buying more Eurofighters than anyone else so we can flash around the skies like some pimp cruising through a bombed-out neighbourhood in a white Jag. We have ordered 386 new Challenger tanks and 64 EH101 battle helicopters. We are hardware addicts on a wild spending spree.

The public spending round is upon us. The little performance with the Health Secretary, Stephen Dorrell, and his (few) extra millions for the NHS is a phoney show designed to reassure us that money will go where it is needed. But what about the billions spent where it is no longer needed?

Britain together with France spends far more than the rest of Europe on defence – 3.1 per cent of our GNP (We spend the same as France because we are locked into an absurd arms race with them.) Germany and Belgium spend only 1.7 per cent. Spain spends 1.5 per cent. We have no treaty obligations to make us contribute more to Nato or European defence than Germany, so we could halve our spending if we chose. We currently spend £22bn. Think how much we could put right with another £11bn a year to spend on education and social projects.

We are not a rich country. We rank only 20th in the world, with most of Europe ahead of us in the league tables of per capita GDP. Why do we spend so much on defence, what do we get for it, and who is the enemy, anyway?

The Eurofighter is a beautiful thing. This we know because of the purple prose that drips from the boys' pens. One eloquent profile of the plane reads: "The pilot with helmet-mounted sights and voice-operated weapons selection will be able to shoot down enemy aircraft by doing little more than looking at them and wishing his missiles happy hunting. The computer has a woman's soft voice which keeps the pilot informed about the condition of the aircraft (remaining fuel, etc) and rises to an urgent timbre when the hip of an enemy appears on his radar... Four computers hold it steady and interpret the pilot's tiny finger movements on the joystick." This is the ultimate Biggles dream machine, fuelled by national testosterone.

We – you and I – are buying 232 of these. Estimates suggest that they will cost some £16bn, but the cost is notional. It will multiply again and again, as defence contracts do. At the present attrition rate, some eight of them will crash a year in training. But it will enable Britain to mount a full-scale war. Horrari! The plane was first thought of in 1979 at the height of the Cold War to engage with Russian MiGs over Europe. It was designed for dog fights and assaults on attacking bombers. No one expects bombers over Britain now. Any attack would be with missiles.



This is the ultimate Biggles dream machine, fuelled by national testosterone. We – you and I – are buying 232 for £16bn



beauties be needed? Wars now are expected to be of the Bosnian or Rwandan variety. Our strategy is about peacekeeping around the world. The monstrous great Challenger 2 tanks we have ordered, at a (purely notional) £1.1bn, will be no use for that kind of war – too wide, slow and heavy for narrow streets or long distances. Then there is the £1.5bn (or pick any sum you like) for the EH101 helicopters. Ah yes, and the Trident nuclear submarines, still costing us some £1bn a year.

Why do we need all this? One of the worst reasons is jobs. Michael Portillo says that the Eurofighter will bring 14,000 jobs. At a very conservative estimate, that is £1m per job. £1m! Think of the jobs you could create with government money in health, education, training, welfare and social services. This is a job creation of the madhouse.

There is the high-tech argument. But these days military electronics steals from the civilian world. They spin-in the technology of others. The spin-off is minimal. Why do we really need all this? It keeps us at the top table

of world-class warriors. Our nuclear arms and strike forces ensure our UN security council seat. Here, the argument becomes circular. Why do we want to sit on the security council, anyway? Why do we want to punch so much more than our weight in the world? Why can't we be satisfied with the firepower of Belgium? Here the experts struggle, bemused by the question. National grandeur, said one. Our own self-image and pride, said another.

We do have moral obligations. We have a duty to contribute fairly, according to our means, to international peace-keeping. Are we loved and admired around the world because of our extra firepower? No, we are not loved at all; least of all in the EU, where we contribute so much more than the rest. We are the squaddies of Europe. Our pretensions are snickered at by other nations who see through our gilded armour-plating to the chaotic state of much of society behind the front line.

Who are our real enemies? They are all within. We may be armed to the teeth, but not against the enemies people most fear. Crime has come to symbolise a sickness eating away at the social core. The enemy is not some Red Baron in the skies, but small boys from catastrophic, poor families, out of control, on drugs, growing up without help, for lack of investment in social programmes. They wreak havoc in schools and fetch up in prison while their teenage sisters give birth to more like them. These are the fruits of a neglected underclass. Much can be done about it with money wisely spent. Ignorance, poverty and crime are our real enemies.

So what would Labour do in power? They will hold a defence review that will try to make sense of our muddled military objectives. Maybe they will have the guts to make swinging cuts, but if so, we are not likely to hear about it until after the election.

If generals are always fighting the last war, then politicians are always fighting the last election. Scorching into Labour memory is the damage that unilateral disarmament did, tearing them as fellow travellers in the Cold War. But those days have gone. Declaring the peace dividend would make Labour's best social aspirations suddenly look creative and credible. If read-my-lips-no-new-taxes is to remain the rule, then a promise to release money from the mad defence budget would win votes.

## White mischief

Fatherhood meets the mother of all fantasists. By John Lyttle

Michael Jackson. Tu Have Child. So what else is new? The cynical will doubtless say – and let us be frank, where Michael Jackson is concerned, we may all have become cynics, stunned observers at a sick media circus that never ends, such is the ringmaster's talent for constant re-invention.

We are, after all, talking about a poor black boy who "grew up" to become a rich white woman, the victim of a strange skin condition that has not only rendered him pale and uninteresting but caused his nose to narrow, chin to dimple and cheekbones to sharpen, the Jehovah's Witness in love with the supernatural who swiftly, and secretly, wed a Scientologist (Lisa Marie Presley – that was the name of his latest flame) at the very moment accusations of child sex abuse hit. And who just as quickly divorced when a multi-million-dollar settlement bought off further legal action from Jorily Chandler and other pre-pubescent accusers who threatened the increasingly purple reign of the self-proclaimed King of Pop. Jackson

was able to moonwalk away from the mess, career intact – the last three singles have sold in the millions – and now one has to ask if his defiance of the law, manipulation of public opinion and apparent ignorance of any moral considerations have carried him beyond such dull categories as damage limitation to a gaudy place where the everyday frames of refer-

ence regarding celebrity and behaviour are simply suspended; perhaps it no longer matters exactly what Michael Jackson does, or who he does it to, just as long as he does it, and the public has its popcorn and a clear view.

So why not pay for the artificial insemination of a nurse (her

15 years (despite his brother-in-law stopping in to call the expectant mother "a liar", and her claims, "complete nonsense")? Why not breeze past the news that the child is to be placed in the gloved hands of a masked man happy to adopt Christ-like poses at award ceremonies (and whose latest celluloid project is the barely constrained metaphor of *Ghosts*, a 35-minute horror film about a shape-shifting spook reviled by adults but loved by the adoring tots who know "He didn't do anything wrong. He's not a monster.")?

Fantasy and fatherhood. One suspects that Michael Jackson either sees the man as a PR pincer movement or worse, simply cannot distinguish between the two and, furthermore, hopes that we can't either. Or can, and no longer care. He may be right. Cynicism is his own trap. We are encouraged to become connoisseurs. We begin to savour our sophistication and reflex ability to make light of the dark hey, Michael Jackson's not got a friend so he's decided to grow his own! In doing so, of course, the process obliterates the deed and gives permission to carry on regardless. Having

lost our own innocence we no longer seem perturbed by the loss of it in others or troubled by the spectacle of it perhaps being feigned by expert impersonators.

Or maybe we just really realise that after so many scandals and blades, there isn't much point in sticking knives into even the most false idol.



## Reasons to go off your trolley

It is National Consumer Week, and the bad news is that you are probably off your trolley. The good news is that according to the latest survey of shopping habits, just about everyone else is as well.

"We're required to process thousands of hits of information the moment we enter a supermarket," says the consumer psychologist Sue Keane. "Our goal is simply to survive."

She paints a rather touching picture of a nation in which almost all of us (90 per cent) take the trouble to prepare for the weekly shop by making a list or checking the cupboards. And then, every week, we glide through

those automatic doors and promptly lose our minds. Suddenly, almost everyone – from accountants to brain surgeons to pensioners – becomes incapable of figuring out what a kilo of tomatoes looks like. We loiter in front of "dull" products – this is what the experts call household cleaning stuff – trying to divine the true meaning of "concentrated". In condiments, we are transfixed by the conundrum of whether the two-for-three offer on jumbo tomato sauce is really for us. Then, having obsessed about saving pennies on cat food and yoghurt, we go on an impulse buying spree in chilled meals. All of this means we get our (frozen) just deserts when we get the bill.

"You can see people looking at their till receipt as they come out as if they do not know what they have bought. Our ability to work out value for money has actually diminished over the years," says Sue Keane. "It should be that the more information you've got, the better shopper you are; but it just doesn't work that way."

The Procter & Gamble survey

found that two-thirds of us continue to rely on imperial measurements, even though the world has gone metric, and that we want manufacturers to provide simple and clear information on packaging. It also found that 77 per cent of men find it difficult to choose household products (no surprises there) and resolve their confusion by reaching for something large with a recognisable brand.

Then we come to a worrying statistic. It seems that just over half of us have become angry or irritated in the supermarket over the past six months. The other half must have been lying – or, to use the polite expression, repressing reality – because supermarket dating has now clearly been replaced by supermarket hating.

We hate the Muzak, the mad-dancing practice of changing the location of the soup every month or so, the way the delicatessen queue only call household cleaning stuff – trying to divine the true meaning of "concentrated". In condiments, we are transfixed by the conundrum of whether the two-for-three offer on jumbo tomato sauce is really for us. Then, having obsessed about saving pennies on cat food and yoghurt, we go on an impulse buying spree in chilled meals. All of this means we get our (frozen) just deserts when we get the bill.

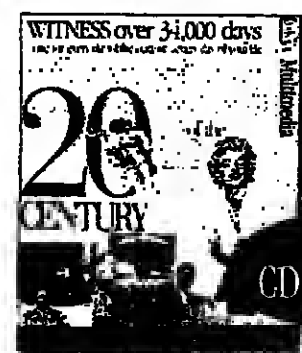
Information overload. Guessimation. Doublespeak. Strange people. Bad music. No wonder one of my friends finds that supermarkets are the perfect place for a good cry. I would, too, if I could only figure out which issues are better value for money.

Ann Treneman

ON THIS DAY 1942



Church of England ends rule forcing women to wear hats in church



Chronicle of the 20th Century

The most comprehensive, informative and entertaining guide to the era ever produced

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# business & city

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## BT tipped to win £1bn armed forces phone contract

Chris Godsmark  
Business Correspondent

The Government is expected to reveal today that BT has beaten Racal Electronics in a battle to win a £1bn contract to replace the vast private telephone network used by the armed forces.

The announcement, which will be made by the Ministry of Defence in the Commons, would mark another success for

BT in the week it announced its £13bn agreement to buy the US long-distance operator MCL. However, it would represent a severe blow for Racal, which had launched a vigorous campaign attacking the BT bid, arguing it was against the public interest.

The contract is to renew the dedicated telephone and data network which connects UK military bases, known as DFTS, or Defence Fixed Telecommu-

nications System. The outdated network is run by BT.

The MoD has already reduced the annual cost of running the system from £200m to £175m but was seeking further cuts of at least £40m. The other condition was that the web of 51 separate networks should be replaced by a single digital network by 2000.

Racal had formed a consortium called Rampart to bid to build and operate the system

with partners Logica and a consultancy firm, WS Atkins. A key element of the Rampart bid was that it would guarantee to employ all 600 existing civilian telecoms staff and take on a further 250 people.

In contrast, BT has kept the details of its bid a close secret, though it is thought it may offer a larger one-off price cut than Racal's with similar total costs over the 10-year life of the contract.

BT yesterday refrained from claiming victory ahead of the official announcement, though its team is thought to be confident of success.

Last night a Racal spokesman declined to forecast the outcome of the bidding process, which has lasted for 18 months. He said: "We are not aware of a decision until it has been announced and we remain totally committed to our solution for DFTS."

Two months ago David Elsbury, Racal's chief executive, stepped up his attack on BT, claiming the two groups were running neck and neck in the race to win the contract. "I believe it is on a knife-edge. There is not a far paper between us. The difference is political," he had claimed.

Mr Elsbury had said that if BT won the contract it would effectively rule out any further competition in the future. He also

pointed out that the annual value of the 10-year deal, at £100m, was "a drop in the ocean" to BT, but would represent 10 per cent of Racal's annual sales.

Racal Electronics already runs data networks for 40 Government departments, in addition to operating private phone systems for the Department of Social Security, along with the chemicals group ICI, Norwich Union and WH Smith. It also runs the huge network which

links National Lottery terminals.

If the MoD does pick BT as the preferred bidder for DFTS, it would come as Racal seeks to identify its strategy following the lucrative merger of the mobile phone company, Vodafone, and its Chubb locks business. Racal has concentrated on managed telephones and data networks and defence electronics products against accusations that it is left with underperforming assets.

## BA accounts dept sent to Bombay to save on wages

Michael Harrison

British Airways is to transfer part of its accounting operations to Bombay because wages levels in India are one-fifth of those in Britain. The move is part of BA's global efficiency drive aimed at producing savings of £1bn a year by the end of the decade. The programme will result in 5,000 job losses.

BA's accounting operations employ 2,000 people. Initially about 10 per cent of the work will be transferred to Bombay, where qualified staff can be recruited on wages of about £4,000 a year compared with £20,000 in Britain.

But more accountancy work will be outsourced if the experiment proves successful. "It is a lot cheaper employing people in India," said BA's finance

director Derek Stevens. "We can get high calibre people for 20 per cent of the cost of employing them here."

Bob Ayling, BA's chief executive, said the airline was looking to outsource more activities as part of the ambitious cost-cutting drive. He said the 12 per cent increase in BA's salary bill experienced in the first half of the year was not sustainable.

He was speaking as BA reported its first drop in operating profits since the Gulf War owing to spiralling fuel prices and the cost of last summer's threatened strike by pilots.

BA also confirmed that it expected Ian Lang, President of the Board of Trade, to announce this month whether its transatlantic alliance with American Airlines is being allowed to go ahead.

Mr Ayling was speaking as BA reported a 2 per cent drop in operating profits to £51.2m for the six months to the end of September - the first time profits have fallen since Iraq invaded Kuwait in 1990.

The decline was due to a £51m increase in aviation fuel costs and the £15m impact of the threatened pilots strike earlier this year. BA also warned that fuel costs were likely to hardened further in the current quarter because of the rise in oil prices.

With jet kerosene prices likely to hit 85 cents a gallon this winter against 60 cents a gallon a year ago, BA could be looking at an extra £130m in fuel charges a year.

At the pre-tax level, BA's profits rose by 9 per cent to a record £470m, helped by a £45m contribution from its associate airlines. Qantas clipped in £26m in pre-tax profits and a further £19m of synergy benefits, while USAir, in which BA has a 24.6 per cent stake, paid a resumed dividend of \$17.3m.

Mr Ayling said he still hoped to persuade USAir to maintain its long-term relationship with BA even though the US carrier has said it intends to abandon its code-share agreement with BA next March in protest at the link-up with American.

He added that USAir's anti-trust lawsuit against BA and American was "an action without merit and any hope whatsoever of success" and said the two carriers remained as determined as ever to pull the deal together.

Asked when he expected Mr Lang to rule on the alliance, Mr Ayling said: "If we haven't passed the milestone of the British competition authorities by the end of this month I would be disappointed."

Mr Ayling also said BA would continue to resist any attempt to strip it of take-off and landing slots at Heathrow as a condition for approving the alliance. "I still do not see any case for BA losing slots, it would be terribly unfair apart from anything else."

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Ready and willing: Hugh Stevenson said that Mercury Asset Management was happy to participate in changing the underwriting system. Photograph: Andrew Buurman

## MAM chief backs cheaper underwriting

Peter Rodgers  
Financial Editor

Hugh Stevenson, chairman of Mercury Asset Management, yesterday backed moves to introduce competition into the underwriting commissions charged for rights issues.

Schroders launched its second cut-price financing drive days after the underwriting for a £48.6m rights issue for More Group, the outdoor advertising company, to help fund the acquisition of Swedish advertising group Wennergren Williams.

The auction saved the company £109,000 - 11 per cent of the commissions - at the expense of investing institutions such as MAM.

The move follows a similar auction for Stakis, the hotels group, last Thursday, which saved 8 per cent. It is an attempt to head off a Monopolies and Mergers Commission inquiry into high City underwriting commissions.

Mr Stevenson said: "We welcome anything that gives a freer system for underwriting." He said that as long as pre-emption rights were offered, giving existing shareholders first call on new issues, "we are ready to participate in the process of change".

Reporting interim profits at MAM 29 per cent higher than a year earlier at £81.8m before tax, Mr Stevenson made clear that the fund management group could be in the market for acquisitions.

There was speculation that MAM's sharply increased cash pile, up £72m to £262m in six months, could be used to finance a bid in the US market, following the announcement of the proposed takeover of Texas-based AIM by Invesco.

Mr Stevenson said: "The US is an important market. It's the biggest savings market in the world but value for our shareholders is the main aim."

MAM has built up its cash pile over the past six months from £191m to £261m. Mr Stevenson said that the company preferred a conservative balance sheet. Funds under management rose from £818m in March to £855.9m in September, including £22m of net new business and 40 new mandates to manage money purchase pension schemes.

The figures suggest MAM will slip into second place among independent UK fund managers, behind Invesco, when its takeover of AIM goes through. The merged company, Amvesco, will have £91bn under management at present dollar exchange rates.

MAM declared an interim dividend of 10p a share, compared with last year's 6p, but the sharp increase was to reduce the imbalance between the interim and final. An increase in provisions for bonus payments for staff was responsible for part of the £22m increase in operating costs to £104m over the past 12 months. The shares fell 20p to 112.5p.

Comment, page 21

## French court clears Air Liberté takeover

A French commercial court last night cleared the way for British Airways to take control of the regional airline Air Liberté in a deal that will give it a one-fifth share of domestic flights from Orly airport, writes Michael Harrison.

BA is to invest £55m and take



Bob Ayling: Takeover 'good for French travellers'

a 67 per cent stake in Air Liberté, while the French banking group Banque Paribas will invest Fr190m for the remaining 33 per cent.

Marc Rochet, chairman of BA's existing French subsidiary, TAT European Airlines, will become chairman and chief executive of Air Liberté, although the two carriers will be kept distinct for the time being.

Clearance for the takeover came after the Commercial Tribunal in Creteil accepted the recovery plan for Air Liberté put forward by BA and Paribas in preference to liquidation.

The plan is designed to return Air Liberté to profitability in three years and will safeguard 1,200 jobs. BA has pledged to retain Air Liberté's fleet of 13 aircraft, increase frequencies on services from Orly to Bordeaux and Nice and resume services from Paris to Montpellier and Gatwick to Bordeaux and Toulouse.

"This is good news for the airline, for its staff and for French air travellers," said BA's chief executive Bob Ayling.

## Fayed pays £52m for Alpha stake

JOHN WILLCOCK

Mohamed Al Fayed, the chairman of Harrods, has paid £52m for a 25 per cent stake in Alpha Airports in an attempt to extend Harrods' airport retailing operations. Alpha has 80 shops in the UK and the US.

Mr Fayed has bought the Alpha stake from Granada using one of his private companies, Cylena Establishments, rather than through Harrods. Cylena said last night that in the absence of a third party offer,

it will not make an offer for the remaining shares of Alpha for at least six months.

Harrods already owns "signature shops" in Japan, Hong Kong and Singapore, and runs tax free shops in Heathrow, as well as airports in Hamburg, Vienna and Frankfurt.

Alpha Retail Services, with a turnover in 1995 of nearly £300m, operates an extensive range of duty and tax free shops in airports, many of which are simply called "Duty Free Shopping". Alpha also operates air-

port shops under licence from Drugstore, Swatch, Lillywhites, Timberland, The Beauty Centre and others.

It is understood that Mr Fayed believes that Alpha's other two operating divisions may also enjoy synergies with some of his other interests.

Alpha Ground Services, with over 50 airport locations in the US with a combined turnover of £42.4m, while Mr Fayed owns Metro Business Aviation, previously Hunting Aviation, which provides ground services

at Heathrow. Alpha also provides in-flight catering, providing 40 million meals a year to a total of 100 airlines.

Alpha said the sale via Lazards to Mr Fayed came as "an unexpected development".

"We have had no discussion or contact with Mr Fayed. Certainly we would want to meet with him as soon as possible."

There had been speculation recently that BAA may have been interested in the Alpha stake. Granada acquired the stake when it bought Forte.



Duty-free buyer: Mohamed Al Fayed takes Granada's stake

## Pro-Europe campaign spills on to the streets

Diane Coyle  
Economics Editor

The increasingly bitter struggle over the future of the pound reached the streets of the City yesterday. At 5.30pm outside Liverpool Street station supporters of the European Movement, a pro-European campaign group, were handing out leaflets making the case for membership of the single currency.

The group has a stock of 8,000 leaflets, titled "The Other Side of the Coin", and an annual grant of £20,000 from the EU with which to promote its

cause. As the Labour MP Giles Radice, its chairman, observed ruefully at the official launch, the European Movement is easily outpaced by Sir James Goldsmith's Referendum Party.

The brochure, which will be handed out at the CBI's annual conference this month and sent to financial institutions and banks, tries to tackle the most frequent objections to European Monetary Union.

Mr Radice found himself on the defensive over suggestions that the Labour Party was moving away from its earlier sympathy for the idea that Britain

should join the single currency in the first wave.

Robin Cook, the party's foreign affairs spokesman, said last month it would be hard for Britain to join in the first wave in 1999. But Mr Radice yesterday: "My own view on the position is exactly as it was before."

Conservative MP Quentin Davies, a vice-chairman of the European Movement, warned: "Wait and see is not a cost-free option."

He said if Britain did not join, its interest rates would have to be higher than those in the

Euro-zone and the country would become less attractive to foreign investors.

John Stevens, the Tory MEP for Thames Valley, said the European Movement wanted to make a positive case for joining the single currency. "Joining would be the most powerful boost to the City's position there has ever been," he said.

However, the new pamphlet concentrates on countering some of the most common arguments against UK membership. A lot of these were "very ill-founded," Mr Radice said. The campaign claims that

Britain will not lose the power to run an independent government spending and tax policy. Nor will there have to be big subsidies of poor member countries by rich ones.

It argues that the single currency would create jobs rather than increase unemployment because interest rates would be much lower if Britain were part of the Euro block. Mortgage rates would be able to fall too.

It also challenges high estimates of the costs of switching over to the Euro, saying that banks and shops would have to spend large amounts on up-

grading their equipment and software anyway. It puts the total transition cost at £2.5bn.

Mr Radice acknowledged that monetary union would lead to closer political integration. But he added: "There is no evidence that the great British public is concerned about sovereignty. What they are interested in is the bread-and-butter issues."

Lord Kingsdown, former Governor of the Bank of England, who was also backing the launch, said: "The idea that any individual country has monetary sovereignty is illusory."

## Gehe in £651m bid for Unichem

Magnus Grimond

Gehe of Germany yesterday renewed its assault on Lloyds Chemists with a £651m bid which almost exactly matches the rival offer from UniChem. The 500p share all-cash bid is being made on almost the same terms as an earlier offer which lapsed when bids from both Gehe and UniChem were referred to the Monopolies and Mergers Commission.

The move was not unexpected and comes just ahead of the Friday deadline set when the Department of Trade and Industry gave the conditional go-ahead for renewed bidding last month. But the level bid was lower than some analysts had been forecasting and Lloyds shares slipped 5.5p to 511p.

UniChem chief executive Jeffrey Harris said he saw no reason to raise UniChem's bid in the short term but did not rule out returning with a higher offer. "At least the gloves are off now and we know what we are up against. The best thing [today] is the bounce in the UniChem share price, which clearly shows that our institutional shareholders are behind us."

Lloyds shares remain well clear of both offers, with the UniChem bid valuing them at 501p after a 3.5p rise in its own share price to 255p yesterday,

leading some observers to suggest that the German offer would not necessarily clinch a deal. Kevin Scotcher of NatWest Markets said: "This is an opening shot, from what I can gather. It is certainly not a final offer, so we can't assume it is their last offer."

Tony Cooper of Greig Middleton said he was slightly surprised that Gehe had come back at the same level as before.

"It has left UniChem with a little bit of a free hand. If they are keen to acquire this, they could come back and take this now."

The Gehe bid was accompanied by renewed claims that the value of Lloyds had been impaired since the previous bid battle. Dieter Kammerer, the Gehe chairman, described the renewed offer as "notably generous, given the deterioration in Lloyds Chemists' performance in the last financial year." He claimed the cash offer provided certainty of value against UniChem terms which consisted largely of shares.

The German group launched a wide-ranging attack on UniChem's claims concerning the takeover. It said the pro-forma gearing would rise to more than 350 per cent. It also questioned its rival's assumptions about the potential synergies, saying they were "optimistic".

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996 High	1996 Low
FTSE 100	2328.10	-20.40	-0.5	4073.10	3632.30
FTSE 250	4415.40	-18.80	-0.2	4968.80	4015.30
FTSE 350	1952.40	-9.80	-0.5	2022.10	1816.60
FTSE SmallCap	2154.05	-3.35	-0.2	2244.30	1954.06
FTSE All-Share	1926.07	-8.42	-0.4	1994.54	1791.95
New York	6041.88	+19.75	+0.3	6094.23	5022.94
Tokyo	12559.40	+30.13	+0.2	12559.40	10904.87
Hong Kong	2671.86	-11.39	-0.4	2734.82	2253.36
Frankfurt					
Statistics as of 5 November					

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
3 Month	1 Year	Medium Term	3 Month	1 Year	Long Bond
UK	5.13	6.89	7.73	7.85	7.84
US	5.41	5.83	6.35	6.55	6.67
Japan	0.47	0.50	0.49	0.49	0.49
Germany	3.06	3.25	6.03	6.39	6.34
MAIN PRICE CHANGES					
Rises	Falls	Unchanged	Rises	Falls	Unchanged
British Telecom	373	22	6.3	British Biotech	207.5
BTG	2482.5	75	2.1	Kwik Save Group	392
Vodafone Group	241.5	5	2.1	British Sky Broad	547

CURRENCIES					
£/\$	£/DM	£/Y	Pound	Dollar	Yen
Yesterday	Yesterday	Yesterday	Yesterday	Yesterday	Yesterday
£/\$	£/DM	£/Y	£/\$	£/DM	£/Y
1.6469	0.930	1.5775	1.6469	0.930	1.5775
1.6447	0.926	1.5800	1.6447	0.926	1.5800
2.4820	0.870	2.2382	2.4820	0.870	2.2382
187.401	1.392	162.542	187.401	1.392	162.542
91.2	0.8	84.3	91.2	0.8	84.3
OTHER INDICATORS					
Yesterday	Day's change	Year Ago	Yesterday	Day's change	Year Ago
Oil Brent \$	22.28	-0.22	16.48	RPI	153.8
Gold \$	378.95	+1.00	382.50	GDP	108.9
Gold £	230.10	+0.70	242.08	Base Rates	-6.00pc

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# The numbers look worse and worse for Clarke

## COMMENT

The threatened NHS crisis has been averted at the eleventh hour – but does this mean there will be no room at all for tax cuts?

The pre-election Budget designed to appeal to our virtue rather than our pocket is fast becoming a matter of financial necessity for Kenneth Clarke, rather than one of choice. In the bizarre and secretive manner in which these decisions emerge from the dingy corridors of Whitehall into the light of day, it has become clear that yesterday's Cabinet meeting found extra cash for spending on health and education, the Government's two priority areas. The threatened NHS crisis has been averted at the eleventh hour – but does this mean there will be no room at all for tax cuts?

Kenneth Clarke has been engaged in a one-man campaign to persuade both the City and his own party that nobody should be looking for a big tax bonanza this year. If you believe this – and half the City does, while the other half reckons it is simply news management to prepare the ground for a big giveaway – then the health and education spending deal reinforces the message.

For the Budget arithmetic looks pretty unflattering. The Government's borrowing requirement this financial year, the fifth of the recovery, is likely to be a couple of billion higher than the Treasury's latest forecast of £26.9bn. The massive deficits at hospitals across the country highlight how tough a task the Chancellor set in last year's spending plans. Expenditure control is never easy. In the 12 months before an election, it becomes virtually impossible.

The fact that inflation has been lower than

expected this year means that the existing cash limits allow for a bit more growth in real terms than expected. But it will be difficult to recoup the extra £500m-£1bn for health and any extra for education just agreed by the Cabinet through cuts in other departments' spending totals. It would not be plausible for Mr Clarke to announce cuts in the overall spending figure when he stands up on 26th November. Even an unchanged total will strain credibility.

The Chancellor's other priority is to keep the profile of government borrowing on a downward path without the embarrassment of having to postpone a balanced budget until the next millennium. That leaves just two options on the tax front. Mr Clarke is either looking at a very modest reduction of a billion or two, perhaps a penny off the basic rate of income tax. Alternatively he could achieve a bit more with perhaps the abolition of inheritance tax thrown in for good measure by raising corporate taxes. Why leave that option open for Labour's first budget after all?

All this forgets the rabbit lurking in the bottom of the Chancellor's hat. His current forecasts for tax revenues are extremely cautious, revised down after the notorious shortfall in VAT and corporation tax receipts last year. Close some loopholes, point to the very buoyant economy, and hey presto! Suddenly the circle is squared. Mr Clarke can allow higher spending on hospitals and schools, succeed in producing prudent bor-

rowing forecasts and justify a couple of billion off taxes as well. Magic.

## BA may fly under a flag of convenience

This is your captain speaking. British Airways flight 100 to Bombay is about to depart. Those passengers with onward connections should contact our global ticketing headquarters in Kuala Lumpur, those with lost baggage complaints should direct their enquiries to our worldwide baggage centre in Taipei and those requiring hotel reservations will find our central marketing department in Lahore only too willing to help.

In the event of a sudden loss of cabin pressure, you will find that this aircraft is registered in Liberia and all the flight attendants are Greek, unless they are Chinese. We hope you enjoy the flight and thank you for choosing British Airways, unless of course you were unlucky enough to work in the accounts department.

BA's decision to outsource 10 per cent of its accounting operations to the Indian subcontinent, where qualified staff are plentiful and the wages are only a fifth of those back home, will be met with an understandable mix of fear and trepidation among the rest of the workforce.

If this is what becoming a "virtual airline" means, then the sky is truly the limit. If the books can be kept just as easily in Bombay

as Brentford then why not outsource every other backroom function. Indeed, why stop there? Engineering and aircraft maintenance could be done just as easily somewhere in the Asia Pacific where the wage rates are low and they don't have the burden of all those social wage costs. Even the stewards need not be employed and paid according to British working practices and salary levels since they spend half their time in international airspace.

It may be that the only way BA can achieve its target of £1bn in savings is through such draconian action. It does not stop at accounts clerks. Ground handling staff have already been told they will lose their jobs unless they take pay cuts, the same fate is awaiting regional cabin crew. BA is an exceptional airline. But in its pursuit of cost-cuts it is in danger of inadvertently turning itself into an airline flying under a flag of convenience. The effect would be to devalue the brand and create more problems than it solves.

## Schroders could derail the gravy train

Cartel? What cartel? Yesterday's £48m rights issue for More Group was the second time in less than a week that Schroders has successfully tried out its new auction system for sub-underwriting commissions. Until now, the City has operated a fixed commission system that has been eyed with

deep suspicion by the Office of Fair Trading, which sees it as a nice little gravy train for merchant banks and institutions.

Schroders has demonstrated that there are savings to be made – though not enormous ones – and it plans to continue fine-tuning the auction method in the light of experience with the first two. Meanwhile, fund managers – the people who benefit most from fixed commissions – are lining up solidly behind the initiative, out of altruism but because it looks like the best way of persuading the OFT not to refer the whole matter to the Monopolies Commission.

Meanwhile, there is a second, less well publicised but related initiative that could prove equally potent a tool in defence of the underwriting system, and the closely related matter of pre-emption rights, the mechanism that gives shareholders first call on any new issue. One reason rights issues often look expensive as a way of raising capital is that companies invariably maintain or even raise the dividend at the same time, to keep investors sweet.

The discount in a rights issue is equivalent to a free issue of shares, and so the dividend really ought to be cut rather than maintained or raised. Otherwise, the critics have a point when they say rights issues are expensive ways of raising capital. The National Association of Pension Funds and the Association of British Insurers say they are receptive to flexible dividends, as well as lower fees. Now it is up to companies to act on the suggestion.

Economy: Whitbread and M&S promise 5,000 new jobs as tourism surges and manufacturing output rises

## Boom conditions back for the high street and industry

Tom Stevenson and Diane Coyle

Further evidence emerged yesterday of a return to boom conditions on the high street and in industry as two of Britain's largest retailers promised to create 5,000 new jobs this year, tourism surged and manufacturing data showed the first quarterly rise in output for a year.

The feckless factor is back with a vengeance, according to Peter Jarvis, chief executive of Whitbread, the brewing and leisure group that yesterday reported a 14 per cent rise in first-half profits. With the benefits of tax cuts and better job security, he said he expected the good times to roll at the group's restaurants, pubs and hotels for at least the next two years. Whitbread plans to create 3,000 new jobs this year.

Marks & Spencer added to the good cheer with the announcement that it would be adding 2,000 to its payroll. Sales in its UK stores in the half year to September were 8 per cent higher and Sir Richard Greenbury, executive chairman, said: "Consumer confidence seems to be returning so we are working

with suppliers to drive sales harder."

Industry is starting to share in the economic recovery, new figures suggested yesterday. Manufacturing output rose 0.7 per cent in the three months to September, its first quarterly rise for a year, virtually regaining its 1995 peak.

The favourable output figures delighted the Government. Angela Knight, Economic Secretary to the Treasury, said: "The gloomy days are gone and the sun is shining on British industry."

Labour welcomed the news too, but Margaret Beckett, shadow trade secretary, pointed out that manufacturing output had climbed by only 2.1 per cent since 1990. There were also concerns that the strength of the pound, which rose briefly above DM2.50 yesterday, could harm exports.

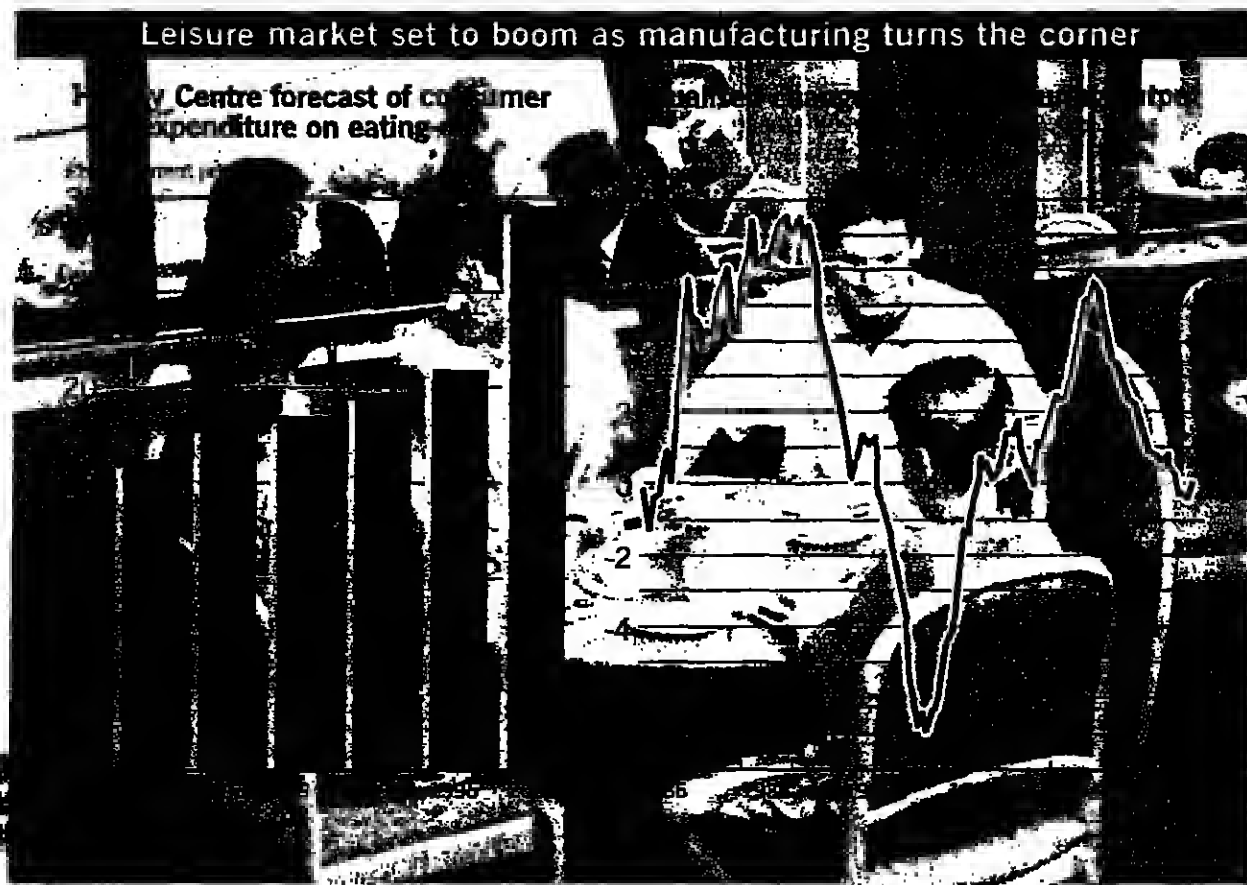
Higher estimates of production in July and August, along with early results showing that manufacturers built up stock levels in the third quarter, are likely to lead to an upward revision in gross domestic product. The preliminary estimate of a 0.8 per cent increase in GDP was already high enough to

have triggered last week's quarter point increase in base rates.

Many City economists believe the strength of the economy's recovery will make another increase in interest rates necessary if the Government is to meet its inflation target. "Above-trend growth in GDP should be maintained. This will keep upward pressure on interest rates," said David Walton at Goldman Sachs.

Mr Jarvis said part of Whitbread's success was due to stronger markets but he attributed much of it to the fact that the group had a recent study of Britain's leisure markets that predicted: "The future is female; women's stamp on society will become more marked as their participation in work continues to grow and they begin to outperform males at all levels of educational attainment."

Whitbread dominates the casual eating out market in Britain, owning the top three non-burger chains, Beefeater, Pizza Hut and Brewers Fayre. It has also targeted the two fastest



growing age groups, people aged between 35 and 44 and between 55 and 64, who have traditionally been light users of pubs but have been increasingly wooed by more astute marketing of pubs and restaurants.

Mr Jarvis also highlighted the rapid rise in tourist numbers visiting Britain in recent years, which has benefited its budget Travel Inn chain and the four-star Marriott hotels it acquired

last year. More than 26 million visitors spent an average of £550 each on UK holidays in 1995 and the value of the market is forecast to soar by the year 2000.

Mr Jarvis said Whitbread's improved performance reflected better trading conditions but also the company's success in taking market share from its competitors and the benefits of a heavy capital expenditure and

acquisitions programme in recent years.

The gains in manufacturing output in the third quarter were spread across several industries, especially engineering.

Production by the engineering industry rose 1.3 per cent during July-September to reach an all-time high, driven by record output of electrical equipment including computers. Computer pro-

duction has been growing at a consistently strong annual rate of 3.4 per cent.

There was a 1.7 per cent increase in textiles, leather and clothing, and smaller increases in output of basic metals and "other" manufacturing.

Within manufacturing, output of the food, drink and tobacco, nuclear and chemicals industries declined compared with the second quarter.

## Northern says 630p a share is too low

Michael Harrison

A slanging match broke out last night between Northern Electric and CE Electric, the US consortium which has tabled a hostile £759m offer, over the value of the last takeover bid for the company.

CE Electric, jointly owned by the Nebraska-based CalEnergy and American construction group Kiewit, said its 630p-a-share offer compared with an effective offer of 633p in 1995 from Trafalgar House.

However, Northern hit back, saying the true value of Trafalgar's final offer had been 732p and urged shareholders to reject the bid.

In the offer document, posted yesterday, CE Electric urges Northern shareholders to accept the bid, warning that Northern faces an uncertain future from 1998 and the possibility of an £81m windfall tax demand.

Its chairman, David Sokol, also says in a letter to Northern shareholders that the payouts Northern produced in the last five years had significantly reduced its ability to pay additional special dividends in the face of a tougher regulatory environment.

But David Morris, the Northern chairman, responded by saying that CE Electric was trying to buy the business on the cheap. He said that accepting the offer would deprive shareholders of a second special dividend of 56.5p payable next February and the interim dividend, which analysts reckon will be about 1.5p.

He said: "Northern Electric will make a series of important announcements which will build a compelling picture of the value which has been created since we were last subject to a hostile offer as well as the value of the business going forward."

CE Electric's valuation of 633p is based on taking Trafalgar's original offer of £11 a share and then deducting the gross value of the distributions Northern has made to shareholders and then adjusting for its subsequent 23-for-26 share consolidation.

Northern says that the benefit of a tax credit on special dividend distributions does not result in a corresponding fall in the value of the company paying these dividends because it is the taxpayer, not the distributing company, that bears the cost of the tax credit.

On that basis, the implied bid price, if CE Electric were to match what Trafalgar offered, would be 99p higher.

Northern held talks with CE Electric prior to the launch of the bid and said an offer had been discussed at around a price of 700p a share. CE Electric denies this.

## IN BRIEF

• The Cable Communications Association yesterday rejected the new rate card proposed by BSkyB, the pay-TV giant, and called on the Office of Fair Trading to set a "fair and reasonable framework" for the supply of Sky's channels to the cable industry. Confirming a report in yesterday's *Independent*, the industry unanimously agreed to support the campaign to win concessions from BSkyB. Meanwhile, it emerged last night that the CCA will no longer handle marketing on behalf of the cable industry. The CCA will be engaged strictly in political lobbying and regulatory technical issues on behalf of the industry.

• The Greenbury code on executive pay is beginning to bite, according to the annual survey of directors' salaries and benefits by actuaries Bacon & Woodrow. It shows that pay rises among directors are running at 7.6 per cent. However, chief executives' increases are lower, at an average of 6.6 per cent. The average main board director received a basic salary of £117,829, while a chief executive received £204,133.

• Estate agents are warning the Chancellor to leave the housing market alone in the Budget if the rally is to continue. More than half of all estate agents feel the recovery is fragile and just over half fear the Chancellor will reduce the rate at which tax relief is given on mortgage interest from 15 per cent to 10 per cent or less in the next tax year. A similar proportion thinks rises in base rates would have an adverse effect on the market.

• Nintendo, the Japanese computer games company, said profits fell by more than half in the first six months as sales of new games and game machines failed to make up for declining sales of older models. The company sold 1.16 million Nintendo 64 game machines in Japan by the end of September, compared with a target of 1.8 million units. Pre-tax profits fell 53 per cent to 30.01 billion yen (\$267.9m) in the six months to 30 September.

• The vice premier of China, Li Lanqing, headed a delegation to the London Stock Exchange yesterday to learn more about the opportunities for Chinese companies to raise capital in London. The visit follows the recent signing of a memorandum of understanding between the UK and Chinese regulatory authorities, paving the way for Chinese companies to list in London.

• Two British mobile phone companies, Orange and One-2-One, have been challenged by Brussels to justify "loyalty" locks which tie customers to one operator service. EU officials said both companies had failed to give satisfactory replies to warning letters sent out by the EU Commission three months ago. One-2-One responded by saying that three months ago it responded to its concerns by visiting the commission. It expected guidelines for the use of "loyalty" locks to be published by the commission and had not received any communication from the commission for three months.

• Firstbus, one of Britain's largest bus companies, has placed an £80m order for 914 new buses. A fleet of 300 vehicles, worth £50m, have been ordered for the year ending 31 March 1998, with an initial order of 330 vehicles worth £30m for 1996-97.

## Anglian Water pledges to fight windfall tax

Chris Goddard  
Business Correspondent

Anglian Water yesterday intensified the attack by the privatised utilities on Labour's proposed windfall tax, pledging to mount a legal challenge to the policy should the party win power in the next election.

Alan Smith, Anglian's group managing director, described the tax as "iniquitous and claimed the privatised water firms did not have enough surplus cash to fund it. Anglian is believed to have instructed lawyers to examine Labour's outline proposals in more detail, though Mr Smith admitted many aspects of the policy were still unknown.

"We are doing our homework in trying to understand what the legal position might be. If it is not legal in our view, or if we believe it's in breach of European law, then we would certainly consider going to court," he said.

The comments are the toughest so far by one of the privatised water companies and are



Alan Smith: "We would consider going to court"

markedly stronger than recent opposition to the tax voiced by Thames Water. However, John Devaney, executive chairman of Eastern Group, the regional electricity company owned by Hanson, has previously argued that any responsible board of directors would be obliged to challenge the tax's legality.

The disclosure came as a surprise to City water analysts. Shares in Anglian fell 11.5p to 547.5p.

yearly profits to £132.7m and said it would invest a further £34m in improving water distribution.

The company raised its interim dividend payout, all of which comes from profits in the core regulated water and sewerage businesses, by 14.6 per cent to 10.2p. However this was lower than the 22 per cent dividend increase announced by Thames Water last month.

Anglian also raised the possibility of further job losses in addition to almost 900 so far. Losses at the company's unregulated contracting and engineering businesses rose from £4.5m to £6.5m between April and September because of extra cash spent on marketing activities.

Anglian has already said it intends to raise its marketing spending to £6m a year, but yesterday admitted these businesses would not make profits until the next century.

The disclosure came as a surprise to City water analysts. Shares in Anglian fell 11.5p to 547.5p.

## BP denies human rights abuses

Chris Goddard  
Business Correspondent

BP has urged authorities in Colombia to investigate allegations that the oil giant has collaborated with human rights abuses committed by the country's armed forces.

John Browne, the chief executive, insisted yesterday that complaints to the Colombian prosecutor's office were "absolutely groundless".

BP pays \$8.6m in taxes and royalties for the military guards, who are intended to prevent attacks on its oil installations from left-wing guerrilla groups.

However, in a sign that opportunities for BP in the country were deteriorating, Mr Browne said prospects for future investments "don't look very good".

The news emerged as BP strengthened its position at the top of the oil industry earnings league as it revealed record profits in the third quarter of the year and predicted that the high level of oil prices which

have helped to boost revenues would continue well into next year.

Profits on a replacement cost basis before exceptional items surged by 22 per cent in the three months to the end of September to £650m. Taking the first nine months of the year as a whole, BP's earnings also hit record levels, increasing by 28 per cent to £1,931m.

Like other oil giants, BP's earnings were boosted by the rise in oil prices, which averaged \$20.20 a barrel, \$2.30 higher than a year ago. Production volumes grew by 6 per cent while underlying profits from upstream activities jumped by a third to £761m.

However, Mr Browne said the benefit from rising oil prices had been more than outweighed by sharply lower profit margins in chemicals operations.

BP increased its dividend by 25 per cent to 5p in the third quarter, the same level as the previous three-month period. Shares in the group edged up 2p to close at 640.5p.

## NatWest's Hong Kong joint venture called off

Peter Rodgers  
Financial Editor

A joint venture between NatWest Markets and Peter Woo Kwong-Ching, a leading Hong Kong businessman, has ended in controversy after only a year of operation.

NatWest Markets said yesterday that it is to buy full control of Whitebuck NatWest, which is 50 per cent owned by

Wheelock, the conglomerate Mr Woo controls.

The failure of the arrangement with Mr Woo after such a brief period could be embarrassing for NatWest's ambitions in Hong Kong, because he is one of the leading candidates for the post of chief executive following the return to Chinese sovereignty next year.

NatWest blamed the decision on the increasing risk of oper-

ating a partly owned trading business in the Far East and said it had concluded it was best for it to become a wholly owned subsidiary of the bank. The 50:50 joint venture was announced in 1994 and began operating in the second half of last year.

Hong Kong sources said the announcement ended a short and bumpy association between NatWest and Wheelock.

NatWest denied a report that Mr Woo had angrily telephoned Lord Alexander, chairman of NatWest, to complain about the way the joint venture had been operated.

But it refused to comment on claims that it had upset Mr Woo by not telling him of plans to buy Gartmore, the fund management group, which owns a competing Hong Kong business. It confirmed that the acquisition

of Gartmore had led to the closure of the fund management business of Wheelock NatWest at the end of last week.

NatWest Markets said recent trading scandals around the world had made it more difficult for joint ventures to operate under British rules in Asian markets with the highest growth, such as equity and derivatives trading.

"We did recognise at a very

early stage that there was a certain amount of risk we could accommodate within the joint venture vehicle," John Howard-Jackson, NatWest Markets' newly appointed chairman for Asia Pacific, said in Hong Kong.

"We were perhaps not hargaining on a series of events around the world in a variety of traded markets that would cause such scrutiny of trading businesses," he said.



## business

## M&amp;S is forced to look overseas

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Marks & Spencer remains the super-tanker of UK retailing, but its overseas expansion programme is taking the stores group into uncharted waters. Led by its irascible captain, Sir Richard Greenbury, the group will this year double capital expenditure on its foreign stores to around £120m or roughly a third of the total budgeted spend of £350m. Around half the increase in space planned for 1996-97 will be overseas, which represents a step change on previous years.

In the past, Marks has been content to allow its relatively small North American and European operations to chug along while the UK made all the running. But half-year figures yesterday gave a clue to the imperative which is driving the group overseas. Pre-tax profits 12 per cent higher at £430m in the six months to September disappointed the market, sending the shares down 20p to 483p.

Sales in the UK climbed 8.4 per cent to £2.84bn in the half, a healthy performance even after stripping out the effects of new stores, which would probably reduce that figure by 1 percentage point or so.

Yet despite the top line growth, operating margins refused to budge above an admittedly highly respectable 12 per cent. Indeed costs rose around 9 per cent in the period, wrongfooting some analysts.

Marks took on an extra 1,500 staff last year and is in the throes of adding another 2,250, increasing UK staff numbers by around 6 per cent this year. That looks generous against the 3 per cent rise in store space expected and it is clear that, despite signs of a revival in consumer spending in Britain, Marks at least thinks it will have to work harder in terms of service to win and maintain the loyalty of shoppers.

Such prudence is probably justified, given recent sales trends. Clothing, footwear and gifts, still the backbone of the business, turned in a sound 8.8 per cent rise to £1.51bn in the six months. Home furnishings, up 27 per cent off a low base to £104m, is tanking ahead on the back of the revived housing market.

But although Marks has retained its market share, the food sector, up 6.6 per cent, remains under pressure. Volume growth decelerated between the first and second quarters and prices are also not rising as fast as they were.

These are probably quibbles now, but Marks is right to be thinking of the fu-

ture. Sir Richard's boast that there are 80 places in the UK where a new store or extension could double sales just demonstrates the constraints on further expansion in the home market. Yet the latest £12.9m profits from overseas businesses, hailed as their first meaningful contribution, have taken years to achieve and are expensive. Opening costs for four new stores in Europe were £6.8m, or 61 per cent of first-half turnover.

Profits of around £1.1bn this year would put the shares on a forward multiple of 18. High enough for now.

## Whitbread shows the way

These were good figures from Whitbread, but so they should have been against an increasingly benign consumer background. They looked doubly good because there were improvements across the board and no banana skins.

At the top end of expectations, the results, showing a rise in underlying pre-tax profits from £155.7m to £177.5m, helped the shares rise 5.5p yesterday to close at 746p, within striking distance of their all time high and more than twice the level they traded at four years ago.

After a 15 per cent rise in earnings per share to 27.1p, the interim dividend rose 9 per cent to 6.25p.

Whitbread is proving itself to be a

really intelligent company, way ahead of its peers in the way it has thought strategically about where the British leisure pound is going and how it can grab an increasingly fatter slice of that growing market. Perhaps it is a reflection of his time at Unilever dreaming up Captain Birdseye, but Peter Jarvis appears to have a better grasp than most of the significance of demographic shifts and changes in the public's aspirations.

Whenever the company has bought itself into new niches of the leisure market, whether fitness through David Lloyd or semi-sophisticated urban eating out through Pelican, it has been able to defend the move (and its cost) with empirical evidence of the market forces that will make the deal work. Whitbread may occasionally be guilty of paying out the odds to secure a position, but it has always been right to take it.

As a result, Whitbread has become Britain's dominant retailer in drinks, eating out and accommodation, with an unrivalled portfolio of brands from Marriott and Travel Inn to Beefeater and Brewers Fayre, from Thresher and Pizza Hut to Cafe Rouge and Costa Coffee. Brewing now accounts for a small proportion of profits, but even in that traditional core Whitbread has sensibly focused on the growing take-home market, where its strong Stella Artois and Heineken brands are increasingly successful.

On the basis of forecast profits of

£320m to next February and £360m the following year, the shares trade on a prospective price/earnings ratio of 15 falling to 13.5. That is not demanding for a company so well placed to benefit from rising leisure spending. A good long-term hold.

## Majestic start for wine chain

Majestic Wine, the UK's largest wine warehouse chain, priced its forthcoming AIM flotation at 160p yesterday, putting a value of £20.4m on the enlarged group. First indications are that the issue has been about three times subscribed, which should augur well for first dealings next Monday.

Majestic operates 61 specialist wine warehouses selling wine by the case to an affluent, knowledgeable clientele. All its outlets are relatively large, with their own car parking, and the chain attempts to differentiate itself from the supermarkets on the one hand and off-licences on the other with a wide range, wine tasting every day and informed staff who help customers make a selection rather than just take their money.

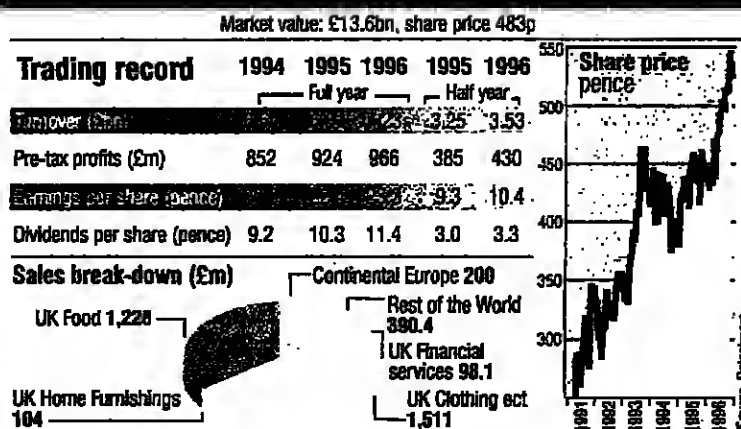
The intention is to use the £4.4m proceeds of the placing to roll out a further eight stores a year to expand the chain from its heavy bias on London and the South-east.

The financial record is impressive, with operating profit before one-off distortions rising sharply from £449,000 in the year to March 1994 to £812,000 in 1995 and £1.2m in the year to last April. During that time the portfolio has grown from 44 warehouses to 61.

One of the problems in valuing Majestic is that there are no comparable companies on the market. Most of the off-licence chains, such as Thresher and Victoria Wine, are part of larger leisure groups (Whitbread and Allied Domecq), and much of the wine trade is now conducted through supermarkets, with the rest through private independent concerns.

On the basis of forecasts from Majestic's nominated broker, Williams de Broe, the shares are being placed on a multiple of 17 or 18 times fully diluted earnings per share. That seems fairly ambitious, given the heavyweight opposition Majestic is up against, but the company appears to occupy a niche and a continuation of recent growth will soon bring that rating lower.

## MARKS &amp; SPENCER: AT A GLANCE



## Cheese and spreads push up Dairy Crest profits

Tom Stevenson  
City Editor

Buoyant trading from its cheeses, spreads and fresh dairy products arm helped newly floated Dairy Crest make up for declining sales and profits from its ingredients and doorstep milk delivery operations in the six months to September.

Dairy Crest, which came to the market in August, announced overall pre-tax profits

of £16.5m, compared with £15.4m in the comparable half-year period. Earnings per share rose from 9.3p to 10.5p, and there was a maiden interim dividend of 3.25p.

The group figures disguised sharply different performances from the two divisions, however. Consumer foods enjoyed a surge in sales from £178.3m to £218.3m from which profits of £12.9m were struck, a 42 per cent increase on the £9.1m

recorded in 1995. Food services suffered from an 8 per cent decline in sales to £163.3m and operating profits were £1.1m lower at £5.4m.

Consumer foods, increasingly Dairy Crest's strategic focus, benefited from a trend towards mature and farmhouse cheddar cheese, which helped expand the UK retail market by 15 per cent to an annual value of £470m. The recent acquisition of Mendip helped the division,

but even without it profits were 25 per cent higher. The operating margin in consumer foods widened from 5.3 per cent to 5.9 per cent.

In Food Services, the continuing decline of doorstep deliveries of milk was exacerbated by a reversal of last year's strong market prices for commodity ingredients sold to food manufacturers. Conditions in the division are expected to be no better in the second half, taking

the shine off an expected continuation of the improvement on the consumer side.

Despite the problems facing Food Services during the half, cash flow remained strong with an inflow from operations of £20.2m. That had contributed to a reduction in debts taken on as part of a capital reconstruction ahead of the flotation. Gearing at the half-year stage was 16 per cent.

Dairy Crest's shares, which

were placed at a controversially low price of 155p a share, leapt in first dealings to more than 190p but have done little since.

Even though farmers were given 70 per cent of the shares in Dairy Crest, formerly the processing arm of the Milk Marketing Board, the sharp rise in early dealings convinced many that institutions should have paid more for their stake.

Yesterday they closed 4.5p lower at 199p.

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## sport

RUGBY UNION: England have a new captain who leads by example. Chris Hewett reports

## Softy who conceals a hard centre

They call him "Blouse" in the Bath dressing-room, a thoroughly disrespectful reference to the fact that Phil de Glanville is far too pretty, and gets injured far too often, for his own good. Things are about to change, though, for it will take a brave player, certainly one with limited international ambitions, to wield that nickname now.

Not that England's new rugby captain is short of a sense of humour, far from it. But engagingly approachable and popular as he may be, De Glanville is no one's idea of a soft touch. Indeed, Jack Rowell has probably chosen the toughest character of the lot to lead his charges through the minefield of the immediate post-Will Carling era.

Listen to John Hall, De Glanville's foreman as Bath captain and now his team manager. "People ask if we still have the hard edge in our side, the old mean streak. I tell them to watch Phil. He does a fantastic job in terms of motivation and leadership and I speak as someone who has played under some of the most strong-minded people imaginable."

But De Glanville has never needed others to fight his corner for him. Unlike Carling, who's now notorious "old fart" jibe at members of the Rugby Football Union was less remarkable in terms of content than in the fact that it was voiced by so guarded a character, the new man has pungent views on all things rugby and is quite prepared to express them.

One of the players' representatives during the original falling-out between the leading clubs and the Rugby Football Union last spring, he has been a trenchant critic of the governing body's shambolic efforts to ease

the transition to professionalism. He also stands up to be counted on the issue of violence; when half a dozen All Black boots ripped into his face during a brutal New Zealand tour match with the South-West Division at Redruth in 1993, he was not frightened to point the finger. Neither was he frightened to renew acquaintances with the self-same pack of forwards less than a month later.

Renowned as a brilliant defensive centre, both as an individual tackler and a back-line organiser, De Glanville arrived at Bath after winning an Oxford Blue in 1990. There were early injury setbacks - his nose still points at an angle dictated by the knee of club-mate Andy Robinson, with whom he collided during a divisional match in London - but there was no serious doubt that he would live up to his England Students and England Under-21 pedigree.

His full international debut came in 1992, when he replaced the injured Carling during the later stages of the 33-16 victory over South Africa at Twickenham. When his Bath midfield partner, Jeremy Guscott, was forced to sit out the whole of the 1993-94 campaign because of chronic groin trouble, he was given an extended run in the England team and came close to breaking up the Carling-Guscott axis once and for all during the World Cup last year.

Ironically, it was on the day that Carling was axed, temporarily as it turned out, from the national captaincy for his RFU outburst - Pilkington Cup final day, 1995 - that De Glanville underlined his obvious leadership credentials. Hall, his club skipper, was forced out through injury at the last minute and after Bath had stamped all over Wasps at Twickenham, the



Phil de Glanville enjoys the first flash of the limelight at Twickenham yesterday

Photograph: David Ashdown

stand-in leader sought out his bitterly disappointed colleague and fairly manhandled him up the steps to receive the trophy. It was the first and only time that anyone forced Hall to do anything. Although De Glanville had been a clear candidate for the England captaincy from the mo-

ment Carling quit last March, it was not until mid-afternoon on Monday that Rowell phoned to offer him the job. The coach had delayed his announcement, not just because of the continuing strife on the political front but because he was worried that his choice would not recover from

knee trouble in time to face Italy on 23 November. When De Glanville came through unscathed for Bath against, of all people, the Italian side Treviso on Saturday, there was no longer any need to prolong the suspense. "Before making my decision, I spoke to the multi-cap play-

ers who were not candidates for the captaincy and they all leaned towards Phil," Rowell said yesterday. One thing is for sure; when those players need him to, their new captain will lean over backwards to protect their interests both on and off the field.

## Wales snubbed by Quinnell

Scott Quinnell yesterday turned his back on Wales by breaking off financial talks between his agent, Mike Burton, and the Welsh Rugby Union.

Quinnell has been in dispute with the Welsh Rugby Union over payment since he returned to union from Wigan rugby league club last summer.

At one stage, the 23-year-old Richmond back row forward went on international strike in protest at what he termed unfair treatment, and was not considered for Wales' early-season international against France and Italy.

"I am surprised and disappointed that the WRU have changed the basis of their offer to me for the third time," said Quinnell, who won nine caps in 1993 and 1994.

"I had accepted their latest offer, even though it was still some way short of the financial package being offered to players currently playing for Welsh clubs."

"I was prepared to make that sacrifice to wear the red jersey again, but this latest turnabout by the WRU is most distressing."

Burton, the former England and Lions prop, has been in detailed negotiation with the WRU director of rugby, Terry Cobner, for six months, and it is understood Quinnell was offered a £20,000 lump sum, plus

a £4,000 match fee and £4,000 win bonus.

Contracted WRU players currently earn a basic £30,000, plus various assorted appearance fees and win bonuses.

Burton said: "I am almost as disappointed as Scott at the breakdown in these talks. While no animosity exists between Scott and the WRU, we are resigned to the fact that Scott will not play international rugby this season."

"I have talked to Fran Cotton, manager of the Lions for next summer's tour to South Africa, and he is quite prepared to assess Scott on his club form when considering his party to take on the Springboks."

Quinnell, who was tipped to return when the Wales coach, Kevin Bowring, announces his team for next month's Test against Australia, said he felt sympathy for other English-based Welsh players like Harlequins' Gareth Llewellyn and the Bath flanker Richard Webber.

"I feel sorry for the other lads playing their club rugby in England, because they are being asked to accept so much less than Wales-based players who will be wearing the same jersey on match day," he claimed.

"It is very unfair, but more distressing is the unprofessional way that negotiations have been conducted by the WRU."

## Dwyer criticises England

Leicester have selected Will Greenwood and Richard Cockrell for tonight's Anglo-Welsh Cup match at Neath, despite an England squad session being staged just hours earlier.

Bob Dwyer, the Tigers coach, has openly criticised England's international match preparations, claiming his players need the latest Bisham Abbey workout "like a hole in the head."

"When you are playing two tough games a week, this sort of thing does not make life any easier," he said. "If the England administration thinks we are teaching the players wrong techniques, then they are welcome to talk to us about it."

"My view is that we are

preparing the current Leicester side well, and there is no need for this session. When I was Australian coach, I hardly ever saw my players until three days before a Test."

Leicester, unbeaten after two Anglo-Welsh matches, retain six of the side who finished last Saturday's European Cup victory over Llanelli.

Cardiff will not switch their Heineken European Cup quarter-final against Bath on 16 November from their own Arms Park ground to the neighbouring National Ground. The club ground can hold 12,000 and it is anticipated that nearly 30,000 spectators could have been attracted to the tie.



## INDEPENDENT FANTASY FOOTBALL

LATEST RESULTS AND TOP 50 TEAMS

## TOP FIFTY LEAGUE TABLE

CALCULATED ON MATCHES PLAYED FROM 17 AUGUST - 27 OCTOBER

POS	NAME	TEAM	POINTS
1	Mr Chris Scott	Bruce Lee F.C.	365
2	Mr S.A. Scott	Forrest Backbone	361
3	Mr John Coxs	Southill F.C.	359
4	Mr C Barry	Champion Aves	358
5	Mrs A Vickers	Football Magic	356
6	Mr Aaron Jones	Champion 2	355
7	Mr Paul Glazzyard	Chocolate TeaPot	355
8	Mr Keith Henry	Organic Mammals F.C.	354
9	Mr G Jones	Avonfast United	353
10	Mr Steve Barnett	Bazza's Defenders	352
11	Mr R Northcroft	I Know Your Wife	352
12	Mr S King	Cracking Athletics	351
13	Mr Hussam Sathry	I'm off to France United	350
14	Mr S Lawrence	Football Magic	349
15	Mr Steven Hart	Keen Cowboys	349
16	Mr C Britton	Magpie Motors	348
17	Mr John Perkins	Hammock Racing F.C.	348
18	Mr J Lippitt	Cracking Athletics	347
19	Mr Adam Hogg	Blaggy Hogg	347
20	Mr A Burnard	Whispering Willows	346
21	Dr Tom Boyle	Last Gasp Gulls	346
22	Mr Mark Shewell	Forrest Backbone	346
23	Mr P Frankental	Arsenal	346
24	Mr Michael Evans	The 11th Hour	346
25	Mr Richard Watson	Better Without Ball F.C.	346
26	Mr D J Robinson	Black Fox Enders	346
27	Mr Chris Thomas	Scunthorpe Enders	346
28	Mr Ian Boyle	Baker Boys 5	345
29	Mr D R Baker	The Dark Horse	345
30	Mr C M Down	Edmo United	345
31	Mr David Edmondson	The Dark Horse	345
32	Mr Stuart Jones	The Alternatives	344
33	Ms Jill Walton	The Alternatives	344
34	Mr Jonathan Jones	Sandlings Strollers	343
35	Mr Graham Longstone	Good Evans	342
36	Mr Paul Davies	Good Evans	342
37	Mr D J Hornby	Good Evans	342
38	Mr Andrew Clark	Good Evans	342
39	Mr Andrew Boyce	Great Home Deed	342
40	Mr Peter Evans	Curlyon Crackers	342
41	Mr Paddy Falls	Curlyon Crackers	342
42	Mr M Crosland	Oxley C Lyons	341
43	Mr M Newell	Oxley C Lyons	341
44	Mr D Wellbourne	Defensive Posture	341
45	Mr S Webb	Defensive Posture	341
46	Mr David Ashton	T G Lodgers	340
47	Mr David Highmash	The Solid Drips Kings	340
48	Mr Jonathan Coxs	The Solid Drips Kings	340

## THE INDEPENDENT

Today we publish the latest results of our Independent Fantasy Football game, supported by Philips Energy Saver Light Bulbs.

Listed below you will find two scores. The Week 12 (28 Oct) column shows all points scored in matches played between Monday 28 October - Sunday 3 November inclusive. The Overall (O) column shows the total amount of points scored in all matches played from Saturday 17 August - Sunday 3 November.

We are also publishing our Top 50 League table (see left). It lists the overall top scoring Independent Fantasy Football managers and their teams for matches played between Saturday 17 August - Sunday 27 October. Results will be published every Wednesday in The

Independent. The overall Top 50 League table will be printed every Wednesday and again on Sunday.

Terms and conditions as previously published and available upon request.

## SCORING SYSTEM

4 points for a goal ■ 4 points for a goalkeeper/defender clean sheet ■ 3 points for a successful assist ■ 1 point when a player is selected and plays ■ 1 point for a winning goal ■ 3 points for a manager win, 1 point for a draw ■ Lose 3 points for a yellow card ■ Lose 3 points for a red card

## PRIZES

The overall winner at the end of the season will be the entrant who has accrued more points than any other Independent Fantasy Football team in that time. Win the ultimate prize - a trip to the 1998 World Cup in France. The winner, plus companion, will see all the action of a quarter-final and a semi-final of their choice, plus the final. In addition, the highest scoring team each month will win a pair of tickets to one of England's World Cup qualifying games at Wembley.

## MONTH 2 PRIZEWINNER

Congratulations to our second month's winner Tony Hanna, from Isleworth, Middlesex, who has scored 152 points with his team Hanna's Heroes. He has won a pair of tickets to see England v Italy on 12 February 1997. The second month's prize is for March.

## TEAM MARKET AND SCORES

OVERALL SCORE CALCULATED ON MATCHES PLAYED FROM 17 AUGUST - 3 NOVEMBER; WEEK 12 SCORE CALCULATED ON MATCHES PLAYED FROM 28 OCTOBER - 3 NOVEMBER

CODE	PLAYER	TEAM	POINTS VALUE	WEEK 12	OVERALL	CODE	PLAYER	TEAM	POINTS VALUE	WEEK 12	OVERALL
GOALKEEPERS											
300	Seaman	ARS	3	0	59	479	Hartson	LIV	0	0	32
301	Bealson	AV	0	0	46	480	Neville (G)	MU	0	0	37
302	Womersley	BLA	0	0	42	481	Seaman	SW	0	0	37
303	Charlton	LEA	0	0	42	482	Stuart	ARS	0	0	37
304	Waters	LEA	0	0	42	483	Grant	ARS	0	0	37
305	Hendrick	COV	0	0	42	484	Bowyer	LEE	0	0	37
306	Fairclough	COV	0	0	42	485	Wallace	LEE	0	0	37
307	Waters	COV	0	0	42	486	Palmer	LEE	0	0	37
308	Waters	COV	0	0	42	487	Burns	LEE	0	0	37
309	Waters	COV	0	0	42	488	McAlister	LIV	0	0	37
310	Waters	COV	0	0	42	489	McAlister	LIV	0	0	37
311	Waters	COV	0	0	42	490	McAlister	LIV	0	0	37
312	Waters	COV	0	0	42	491	McAlister	LIV	0	0	37
313	Waters	COV	0	0	42	492	McAlister	LIV	0	0	37
314	Waters	COV	0	0	42	493	McAlister	LIV	0	0	37
315	Waters	COV	0	0	42	494	McAlister	LIV	0	0	37
316	Waters	COV	0	0	42	495	McAlister	LIV	0	0	37
317	Waters	COV	0	0	42	496	McAlister	LIV	0	0	37
318	Waters	COV	0	0	42	497	McAlister	LIV	0	0	37
319	Waters	COV	0	0	42	498	McAlister	LIV	0	0	37
320	Waters	COV	0	0	42	499	McAlister	LIV	0	0	37
321	Waters	COV	0	0	42	500	McAlister	LIV	0	0	37
322	Waters	COV	0	0	42	501	McAlister	LIV	0	0	37
323	Waters	COV	0	0	42	502	McAlister	LIV	0	0	37
324	Waters	COV	0	0	42	503	McAlister	LIV	0	0	37
325	Waters	COV	0	0	42	504	McAlister	LIV	0	0	37
326	Waters	COV	0	0	42	505	McAlister	LIV	0	0	37
327	Waters	COV	0	0	42	506	McAlister	LIV	0	0	37
328	Waters	COV	0	0	42	507	McAlister	LIV	0	0	37
329	Waters	COV	0	0	42	508	McAlister	LIV	0	0	37
330	Waters	COV	0	0	42	509	McAlister	LIV	0	0	37
331	Waters	COV	0	0	42	510	McAlister	LIV	0	0	37
332	Waters	COV	0	0	42	511	McAlister	LIV	0	0	37
333	Waters	COV	0	0	42	512	McAlister	LIV	0	0	37
334	Waters	COV	0	0	42	513	McAlister	LIV	0	0	37
335	Waters	COV	0	0	42	514	McAlister	LIV	0	0	37
336	Waters	COV	0	0	42	515	McAlister	LIV	0	0	37
337	Waters	COV	0	0	42	516	McAlister	LIV	0	0	37
338	Waters	COV	0	0	42	517	McAlister	LIV	0	0	37
339	Waters	COV	0	0	42	518	McAlister	LIV	0	0	37
340	Waters	COV	0	0	42	519	McAlister	LIV	0	0	37
341	Waters	COV	0	0	42	520	McAlister	LIV	0	0	37
342	Waters	COV	0	0	42	521	McAlister	LIV	0	0	37
343	Waters	COV	0	0	42	522	McAlister	LIV	0	0	37
344	Waters	COV	0	0	42	523	McAlister	LIV	0	0	37
345	Waters	COV	0	0	42	524	McAlister	LIV	0	0	37
346	Waters	COV	0	0	42	525	McAlister	LIV	0	0	37
347	Waters	COV	0	0	42	526	McAlister	LIV	0	0	37
348	Waters	COV	0	0	42	527	McAlister	LIV	0	0	37
349	Waters	COV	0	0	42	528	McAlister	LIV	0	0	37
350	Waters	COV	0	0	42	529	McAlister	LIV	0	0	37
351	Waters	COV	0	0	42	530	McAlister	LIV	0	0	37
352	Waters	COV	0	0	42	531	McAlister	LIV	0	0	37
353	Waters	COV	0	0	42	532	McAlister	LIV	0	0	37
354	Waters	COV	0	0	42	533	McAlister	LIV	0	0	37
355	Waters	COV	0	0	42	534	McAlister	LIV	0	0	37
356	Waters	COV	0	0	42	535	McAlister	LIV	0	0	37
357	Waters	COV	0	0	42	536	McAlister	LIV	0	0	37
358	Waters	COV	0	0	42	537	McAlister	LIV	0	0	37
359	Waters	COV	0	0	42	538	McAlister	LIV	0	0	37
360	Waters	COV	0	0	42	539	McAlister	LIV	0	0	37
361	Waters	COV	0	0	42	540	McAlister	LIV	0	0	37
362	Waters	COV	0	0	42	541	McAlister	LIV	0	0	37
363	Waters	COV	0	0	42	542	McAlister	LIV	0	0	37
364	Waters	COV	0	0	42	543	McAlister	LIV	0	0	37
365	Waters	COV	0	0	42	544	McAlister	LIV	0	0	37
366	Waters	COV	0	0	42	545	McAlister	LIV	0	0	37
367	Waters	COV	0	0	42	546	McAlister	LIV	0	0	37
368	Waters	COV	0	0	42	547	McAlister	LIV	0	0	37
369	Waters	COV	0	0	42	548	McAlister	LIV	0	0	37
370	Waters	COV	0	0	42	549	McAlister	LIV	0	0	37
371	Waters	COV	0	0	42	550	McAlister	LIV	0	0	37
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380	Waters	COV	0	0	42	559	McAlister	LIV	0	0	37
381	Waters	COV	0	0	42	560	McAlister	LIV	0	0	37
382	Waters	COV	0	0	42	561	McAlister	LIV	0	0	37
383	Waters	COV	0	0	42	562	McAlister	LIV	0	0	37
384	Waters	COV	0	0	42	563	McAlister	LIV	0	0	37
385	Waters	COV	0	0	42	564	McAlister	LIV	0	0	37
386	Waters	COV	0	0	42	565	McAlister	LIV	0	0	37
387	Waters	COV	0	0	42	566	McAlister	LIV	0	0	37
388	Waters	COV	0	0	42	567	McAlister	LIV	0	0	37
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402	Waters	COV	0	0	42	581	McAlister	LIV	0	0	37
403	Waters	COV	0	0	42	582	McAlister	LIV	0	0	37
404	Waters	COV	0	0	42	583	McAlister	LIV	0	0	37
405	Waters	COV	0	0	42	584	McAlister	LIV	0	0	37
406	Waters	COV	0	0	42	585	McAlister	LIV	0	0	37
407	Waters	COV	0	0	42	586	McAlister	LIV	0	0	37
408	Waters	COV	0	0	42	587	McAlister	LIV	0	0	37
409	Waters	COV	0	0	42	588	McAlister	LIV	0	0	37
410	Waters	COV	0	0	42	589	McAlister	LIV	0	0	37
411	Waters	COV	0	0	42	590	McAlister	LIV	0	0	37
412	Waters	COV	0	0	42	591	McAlister	LIV	0	0	37
413	Waters	COV	0	0	42	592	McAlister	LIV	0	0	37
414	Waters	COV	0	0	42	593	McAlister	LIV	0	0	37
415	Waters	COV	0	0	42	594	McAlister	LIV	0	0	37
416	Waters	COV	0	0	42	595	McAlister	LIV	0	0	37
417	Waters	COV	0	0	42	596	McAlister	LIV	0	0	37
418	Waters	COV	0	0	42	597	McAlister	LIV	0	0	37
419	Waters	COV	0	0	42	598	McAlister	LIV	0	0	37
420	Waters	COV	0	0	42	599	McAlister	LIV	0	0	37
421	Waters	COV	0	0	42	600	McAlister	LIV	0	0	37
422	Waters	COV	0	0	42	601	McAlister	LIV	0	0	37
423	Waters	COV	0	0	42	602	McAlister	LIV	0	0	37
424	Waters	COV	0	0	42	603	McAlister	LIV	0	0	37
425	Waters	COV	0	0	42	604	McAlister	LIV	0	0	37
426	Waters	COV	0	0	42	605	McAlister	LIV	0	0	37
427	Waters	COV	0	0	42	606	McAlister	LIV	0	0	37
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429	Waters	COV	0	0	42	608	McAlister	LIV	0	0	37
430	Waters	COV	0	0	42	609	McAlister	LIV	0	0	37
431	Waters	COV	0	0	42	610	McAlister	LIV	0	0	37
432	Waters	COV	0	0	42	611	McAlister	LIV	0	0	37
433	Waters	COV	0	0	42	612	McAlister	LIV	0	0	37
434	Waters	COV	0	0	42	613	McAlister	LIV	0	0	37
435	Waters	COV	0	0	42	614	McAlister	LIV	0	0	37
436	Waters	COV	0	0	42	615	McAlister	LIV	0	0	37
437	Waters	COV	0	0	42	616	McAlister	LIV	0	0	37
438	Waters	COV	0	0	42	617	McAlister	LIV	0	0	37
439	Waters	COV	0	0	42	618	McAlister	LIV	0	0	37
440	Waters	COV	0	0	42	619	McAlister	LIV	0	0	37
441	Waters	COV	0	0	42	620	McAlister	LIV	0	0	37
442	Waters	COV	0	0	42	621	McAlister	LIV	0		



# Europeans trail behind in Saintly's path

## Racing

RICHARD EDMONDSON

For many years the Breeders' Cup series has been telling European runners that they are rather like fish flapping on the riverbank when they are hauled out of their own environment, and the Melbourne Cup is beginning to take on the same appeal. Vintage Crop set the float twirling when he won the race successfully for Ireland three years ago, but in Australia yesterday the three travellers from the northern hemisphere showed what a huge achievement Vintage Crop's win was when finishing down the field behind Saintly, who had not been seen across the time zones. Grey Shot was seventh, the favourite Oscar Schindler 15th, while Court Of Honour best just two of the 22 runners home.

It was another day when the equine skills of Michael Kinsane, Oscar Schindler's jockey, were brought into question. Kinsane, who partnered Vintage Crop to victory in 1993, was the recipient of the sort of abuse you would not give an errand boy when defeated on the same horse the following year, and his judgement was again under scrutiny in Victoria last night. The jockey had persuaded Oliver Lehanne, Oscar Schindler's owner, to tackle this assignment in preference to the Breeders' Cup Turf at Woodbine, in which a horse he had finished alongside in the Prix de l'Arc de Triomphe, Pilsudski, was successful.

Just after the field swung into the Flemington straight, however, Kinsane knew he would be addressing a post-mortem. "You have to take a stand and make a decision," he said. "We felt, not just me but the trainer too, that he was the right horse. At his best you would have expected him to beat them."

"I asked him for an effort coming out of the home turn but it was short-lived. This was a disappointment and I have no excuses. Maybe the long year has taken its toll on him as he has been running since April."

Oscar Schindler's gloomy disposition has been predicted for the second time as he stood in front of the near 100,000 congregation with perfecting imperiousness. The prospect of Peter Chappell, Hyman's Court Of Honour, was less easy to trump up as he performed like a top dancer, but Grey Shot, Ian Beal's runner, looked composed.

Pat Eddery may have been mindful that foreign-jockey error is not favourably reported in the Antipodes when he sent Grey Shot into a leading position from which there could be little criticism. He did not believe the distinction of having been in front for longer than any other, a post wrested from him only in the home straight. While Eddery enjoyed the experience as a whole, he cannot have gloried too much in the sight of those better suited to the ground sweeping past him. "I really enjoyed it, very excit-

ing," he said. "But it's just a shame he doesn't like fast ground. The speed horses came and got him for a turn of foot."

The speediest was Saintly, an 8-1 shot who gave Bart Cummings his 10th win in the race, a tribute to his training abilities and longevity. "I was very impressed with the way he [Saintly] quickened," Eddery said. "He came there cruising, he let him go and he took off. He's obviously a high-class horse."

Just how talented Saintly is may be revealed when he tackles the Japan Cup this month. British horses will again get their chance to put a muscle in his structure in Tokyo. Until then, 66-year-old Cummings can bask in this achievement and polish the trophy that was struck to celebrate his milestone. "This is very special and I savour it very much," he said.

Darren Beadman, the winning rider, was capturing the race for the second time and the name of his mount was rather ironic for a man who was run out of Hong Kong for alleged irregularities and who praised heavenly powers for his success. He also paid tribute to the man who is well ahead of him in terms of Cup collections.

"Bart Cummings is an absolute genius with a capital G," he said. "That may be so, but Europe's performance in the Melbourne Cup are becoming increasingly risible with a capital R."

**MELBOURNE CUP**  
1. SAINTLY (B) (Beadman) 8-1; 2. Court Ship (B) (Beadman) 10-1; 3. Grey Shot (B) (Eddery) 10-1; 4. Oscar Schindler (B) (Kinsane) 15-1; 5. Court Of Honour (B) (Eddery) 15-1; 6. Pilsudski (B) (Eddery) 15-1; 7. Oscar Schindler (B) (Kinsane) 15-1; 8. Oscar Schindler (B) (Kinsane) 15-1; 9. Oscar Schindler (B) (Kinsane) 15-1; 10. Oscar Schindler (B) (Kinsane) 15-1; 11. Oscar Schindler (B) (Kinsane) 15-1; 12. Oscar Schindler (B) (Kinsane) 15-1; 13. Oscar Schindler (B) (Kinsane) 15-1; 14. Oscar Schindler (B) (Kinsane) 15-1; 15. Oscar Schindler (B) (Kinsane) 15-1; 16. Oscar Schindler (B) (Kinsane) 15-1; 17. Oscar Schindler (B) (Kinsane) 15-1; 18. Oscar Schindler (B) (Kinsane) 15-1; 19. Oscar Schindler (B) (Kinsane) 15-1; 20. Oscar Schindler (B) (Kinsane) 15-1; 21. Oscar Schindler (B) (Kinsane) 15-1; 22. Oscar Schindler (B) (Kinsane) 15-1.

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Darren Beadman salutes the heavens as Saintly takes yesterday's Melbourne Cup Photograph: Steve Holland/AP

**HYPERION**  
1.35 Quaff  
2.05 Castle Chief (nb)  
2.35 Indian Jockey

**3.05 MASTER ORCHESTRA**  
3.35 Fine Thyme  
4.05 JADON (nap)

**GOING DOWN**  
1.35 Quaff  
2.05 Castle Chief (nb)  
2.35 Indian Jockey

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## Samoa prove too tough for students

Rugby Union  
DAVID LLEWELLYN  
Oxford University  
Western Samoa

Oxford University will not need too many bruising encounters like this one at Lifford Road yesterday. The Dark Blues will wake up black and blue after an entertaining match against a ferocious side boasting some half a dozen internationalists.

The students were rather unlucky to get Western Samoa on the rebound from a hammering at the hands of Saracens on Saturday. With only one more match, against Munster on Saturday, before they take on Ireland the tourists adopted a tough approach to this match.

They still found Oxford a handful. The Oxford scrum learned valuable lessons and improved throughout and the line-outs were never a possession for possession for the tourists. Outside-half James Averis, three months into his return following 18 months out with cruciate ligament damage to a knee, put in a classy and mature performance. His kicking style, measured, easy and most important of all, accurate, betrayed some concentrated session work with the kicking guru, Dave Alred, and Rob Andrew during his rehabilitation.

Averis helped himself to 17 points, including a well-taken try in the first half, and the second of his three conversions near the start of the second half. But the heftily built and the very size of the tourists and their fearless tackling told them they ran in eight tries, six of them after the interval as the Dark Blues began to feel the pace.

Oxford can take heart from the way they tackled. They have probably never had to make quite so many in a game, and will never have been hit quite so hard. One tackle by a Samoan on full-back Richie Maher folded him in two. Remarkably he recovered his wind and finished the game like his colleagues, in spirited fashion.

Both sides showed a willingness to run the ball, even from kickable penalties. Although a bit of niggly creep in at the end, the referee, Chris Reeks, quickly doused the sparks, showing Afa Luni a yellow card towards the end.

Oxford University's first team, Saracens, played a strong game against Western Samoa. The first half was a tactical battle, with both sides showing their strengths. The second half was more physical, with Oxford's players showing more resilience.

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## Towers' chance to progress

Basketball  
RICHARD TAYLOR

London Towers must capitalise on the absence of Verona's lead scorer, Mike Zuzzolino, at Wembley Court tonight to press their claims for a top-four finish in their European Cup group and a place in the knock-out stage.

London suffered two defeats in their first games, but a weakened Verona are ideal opponents to begin the second half of their fixtures. Zuzzolino, the former Dallas Maverick, was injured in Verona's last Italian League fixture.

Towers lost 76-48 against Verona in their opening group game without the injured international Karl Brown and 6ft 10in Neville Austin. Victory tonight and in their two other home games, against Toliss of Georgia and Yugoslavia's Podgorica, will assure a top-four finish and ease the pressure for away games in Turkey and Hungary.

NATIONAL CUP Quarter-finals Friday 18 November: Sheffield vs Leicester; London Towers vs Manchester; Newcastle vs Birmingham; Saturday 19 November: Thames Valley vs London Leopards.

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**HYPERION**  
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2.05 Castle Chief (nb)  
2.35 Indian Jockey

**3.05 MASTER ORCHESTRA**  
3.35 Fine Thyme  
4.05 JADON (nap)

**GOING DOWN**  
1.35



**FOOTBALL:** The Manchester United manager today celebrates a decade in charge at Old Trafford. **Glenn Moore** spoke to him

# Ferguson focused on the next 10 years

Wright for breezy in

Wright accepts

New misery in Mo

TODAY'S

JOHNSON'S CHOICE

THURSDAY 7PM

THURSDAY MORNING



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**MELBOURNE CUP**  
Australia finds Saintry hero to  
repel the Europeans, page 25

**sport**

**UNITED HE STANDS**  
Alex Ferguson focused on  
the next 10 years, page 26

# De Glanville given England captaincy

**Rugby Union**  
CHRIS HEWITT

Blood is thicker than water. Jack Rowell, the England coach, went back to the bosom of his beloved Bath yesterday and named Phil de Glanville as his new national captain. If Lawrence Dallaglio, the red-hot favourite for the job, is suffering the sharp pangs of disappointment, imagine how Will Carling and Jeremy Guscott must feel.

When Carling gave up the captaincy at the end of last season's Five Nations Championship, he insisted that he had every intention of prolonging his international career among the foot soldiers. Today, he faces a straight fight with his long-time partner Jeremy Guscott for the one available centre place against Italy on 23 November.

Which is not to say that he will necessarily lose that battle: Carling's recent club form for Harlequins has been everything it should be and more, and his enthusiasm for the rough and tumble of an unforgiving sport remains undimmed. But Guscott is in sensational nick and has the advantage of a lengthy club partnership with the new skipper. Unless Rowell gambles by playing either man out of position, he will have to leave one of them out and whoever goes over the edge will make an awfully big splash.

For De Glanville, selection is no longer an issue - not his own, at any rate. The 28-year-old Oxford Blue, born in Loughborough but forged in the fires of the most successful club outfit in English rugby history, will be the first name on the team sheet until the end of the season and, if all goes well, far beyond.

"I'm confident I'll be at the next World Cup in 1999," he said yesterday, blinking through the dazzle of a hundred flashbulbs. "Will Carling did fantastic things for English rugby, thrusting it into the forefront of the world game, and he remains a tremendous player. But now is the time for someone new to put his stamp on the side, to bring a positive attitude towards the way we play at international level."

De Glanville has worked closely with Rowell since 1990, when he joined Bath from Oxford. Notoriously, the coach's relationship with Carling had more downs than ups; now that he has manoeuvred a familiar and trusted face into a position of such influence, Rowell can move ahead more confidently with a radical restructuring of his side.

"Jack and I go back a long way," De Glanville said. "We can be straight with each other and we will be in the future. I'm sure. If something needs saying, I'm the sort to say it. So is Jack. Of course, but I see myself as a



Monarch of all he surveys: Phil de Glanville gets a feel yesterday for standing tall at Twickenham, where he will lead England out on 23 November

Photograph: David Ashdown

representative of the players and a conduit between them and the governing body, and that is an important position to be in. There is an awful lot to sort out immediately, particularly off the pitch, and I want to see the Rugby Football Union sit down with the clubs and hammer out an agreement so that we can all get on with the game."

So there. Like almost every other member of the 43-strong England squad, De Glanville has yet to sign an RFU contract that would virtually guarantee him around £70,000 for this season's activities at international level. As the grey suits in the corridors of power are likely to discover sooner rather than later, he is nobody's pushover.

Thanks to his promotion, however, he is unlikely to need his international money to stave off the bailiffs. Carling glamourised the job of England captain in such an extent during his eight years at the helm that De Glanville, who has already been snapped up by the agency that markets Anthea Turner, can expect commercial spin-offs worth

at least £200,000 a season and possibly a great deal more.

Rowell admitted yesterday that other names had come under consideration for the top job and that he had spoken at length to all the candidates. Dallaglio, the Wasps captain, and Jason Leonard, his Harlequins counterpart and the most experienced forward in the Eng-

land side, posed the greatest threats to De Glanville, but the coach emphasised that he had reached his decision early and had not delayed revealing all because of the political uncertainty off the field.

"We've had eight months to think about this and there were several outstanding candidates, but I wanted someone not only

good enough to hold his place but who had the respect of his colleagues and possessed the ability to read a game and adjust to whatever demands might arise. This is a big challenge for Phil but then, he has come through a very challenging period of captaincy at Bath where the weight of expectation is always heavy."

Rowell was due to name the England side to face Italy before today's training session at Bisham Abbey. Tim Stimpson, the Newcastle full-back, Adedayo Adebayo, the Bath wing, and two young forwards, Phil Greening of Gloucester and Simon Shaw of Bristol, were all in the frame for a first cap.

Yesterday, the RFU announced that their long-term sponsors, Cellnet, had injected another "substantial six-figure sum" into England's coffers. In return, the company will have their logo splashed across the national shirts throughout this season's seven-test programme. The hard centre, page 24

## 'Delighted' Carling quick to applaud appointment

Will Carling graciously applauded his successor as England captain: "I am delighted for Phil. He has been and will be an excellent captain. I have always said so," he said.

"I realise the ramifications from my point of view. There is only one other centre position available. But selection is now out of my hands and I have been playing okay."

As to be expected, management and players at Bath were equally enthusiastic. The di-

rector of rugby, John Hall, said: "Phil is a very strong character, and will not be frightened of making decisions. This is great news for him and the club, and it's a perfect reward for all our efforts down the years. Phil has got some great qualities, but inside that smooth exterior is one very tough guy. I think that Phil should play alongside Jeremy [Guscott], and in doing that, England will have the best two centres in Britain."

Guscott also welcomed de

Glanville's new role. "I am very pleased that Phil has been made captain. He is the best man for the job," his Bath team-mate said. "He's got the respect of all the international players, and has been knocking on the door for some time. From my point of view, it would be nice to play alongside him for England."

"I think that Lawrence [Dallaglio] will be disappointed because he cannot help himself sometimes believing what he reads in the press."

Mike Catt said: "Phil has definitely shown his true colours, and I think he has got the respect of everyone. I think the England players will know what he is about. It has come at the right time for him after he was injured, and he has come back to play at his best again."

Jon Sleightholme believes he can benefit personally from de Glanville's presence if he retains his England right-wing berth. "He will be an excellent captain, and he will help me if

I am there. Phil will give 110 per cent commitment."

Brian Moore, England's most capped hooker, said: "It must mean that the England camp has made a decision about the centre pairing. Now either Will Carling or Jeremy Guscott is not going to feature in the long-term plans coming up to the World Cup in 1999. I'd actually put my mark down for Phil much earlier, notwithstanding the fact that he wasn't first choice centre at the time."

## Coventry mishandle Atkinson's switch

**Football**  
PHIL SHAW

As baton hand-overs go, it was on a par with the mess into which Britain's male sprinters got themselves at the Olympics. Roo Atkinson passed the management of Coventry City on to Gordon Strachan yesterday, but took up his new post as director of football complaining that he was upset about the way the change had been handled.

Atkinson, at 57 the oldest manager in the Premiership, said soon after taking over at Highfield Road 21 months ago that Strachan would succeed him next summer. In the wake of Coventry's draw at Everton on Monday, which left them third from bottom, the club confirmed they had brought forward the 39-year-old assistant manager's appointment with the consent of both parties.

It was the fact that the news

was leaked to a newspaper which left Atkinson angry. "It annoyed me that it was leaked by someone who is a member of our board of directors. I cannot name that person but I know who it is. He has let down the club and the chairman," he said.

"I was so annoyed that I was of a mind to quit, but the chairman persuaded me to stay. We wanted to make the transition smoothly and without fuss. Gordon Strachan can be assured that I will not be looking over his shoulder. My new role appeals to me and I intend to be very active."

Bryan Richardson, the Coventry chairman, earlier rebutted reports that Atkinson had been dismissed. "He was not sacked at all. He came and approached me at the end of last week to discuss the idea of Gordon taking over the running of the team," he said.

"All we've done is bring

forward exactly what we said before. It was Ron's original idea when Gordon came to us that there was this absolute and firm plan. It's in Gordon's contract and it's in Ron's that Gordon would take over."

It is clear Coventry's parlous position has prompted them effectively to end Atkinson's 22-year career as a League manager. Despite his lavish spending - £15.6m - the Sky Blues, who have been members of the top flight since 1967, again face a fight against relegation. Strachan, who continues to make cameo appearances as a substitute, had been widely expected to succeed Howard Wilkinson as manager of Leeds. When it became clear that Wilkinson was not ready to move "upstairs", the former Scottish international threw in his lot with Atkinson, under whom he played for Manchester United during the 1980s.

A colourful career, page 26

## Sinclair to stay at Loftus Road

Trevor Sinclair yesterday brought a sudden stop to what was building up into the season's biggest transfer scramble when he withdrew his request and began negotiations for a new, improved contract with Queen's Park Rangers.

Stewart Houston had resigned himself to losing the £5m-rated winger after the 23-year-old submitted a transfer request last month. The QPR manager viewed Sinclair's decision as the perfect signal to the Rangers fans that the club was as committed to returning to the

Premiership as any of their players and supporters. Sinclair's decision - it is understood that the club have effectively reached a compromise that he might be allowed to go if promotion is not achieved - will be a big blow for Spurs, Leeds and Blackburn.

Sinclair, who was "delighted" to say he had withdrawn his transfer request "after long, frank and honest discussions" will play in Sunday's London derby with Crystal Palace. Cash-starved Nottingham Forest are ready to sell one-time

record signing Bryan Roy after losing patience with the out-of-form Dutch international. Manager Frank Clark paid £2.5m to Italian club Foggia for the 26-year-old striker in August 1994 and Roy's partnership with Stan Collymore helped Forest clinch a UEFA Cup place.

But his form dipped after Collymore's departure. He disappointed last season with eight goals in 28 matches and has made the starting line-up only three times this season despite Forest's slide into the bottom two of the Premiership.

## Good-bye battery



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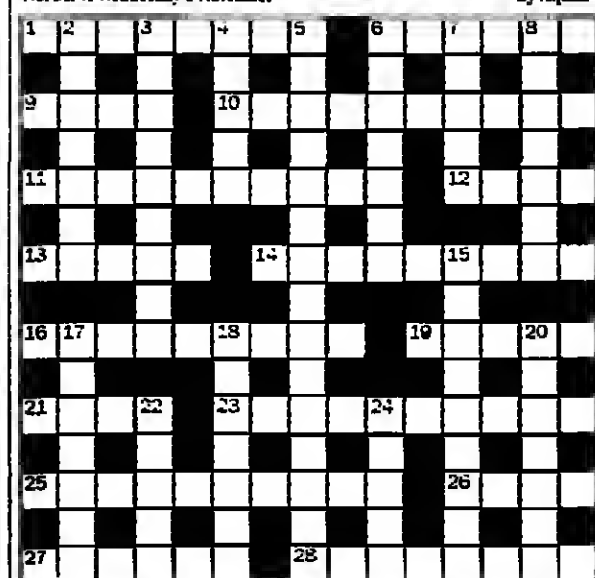
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## THE INDEPENDENT CROSSWORD

No. 3137, Wednesday 6 November

By Aquila



### ACROSS

- 1 Longest, in diction, to have culms covered (4-4)
- 6 Road risk of ambush (6)
- 9 Housewife imprisoned in the Tintin (4)
- 10 Number of horses stop with this leg-splasm (10)
- 11 Entertainers' telegraphed responses heard (3-6)
- 12 Tropical plant approved by sun god (4)
- 13 A line-out inappropriate? (5)
- 14 Novel plot in singular Conservative policy (5-4)
- 16 Quiet tenant of Lincoln, possibly (9)
- 19 French composer of unlimited freedom (5)
- 21 Dublin, to Wexford, turns out to be a nut (4)
- 23 Rush commonly completed with care (10)

### DOWN

- 2 Verdi-Holst arrangement not lasting long (5-5)
- 26 I twice get the bird (4)
- 27 Small, ugly figures of international bankers (6)
- 28 Recitals in church for one in a silent order (8)
- 3 New ballet movements in game for women (7)
- 3 The wicked devil tree in a terrible state (9)
- 4 How Germans consume most of French petrol? (7)
- 5 Fourth or fifth, ideal break for musicians (7-8)
- 6 Angry words in royal house (7)
- 7 Brutal trapped by a hook, in the interior (5)
- 8 Banking flap on a live exchange (7)
- 15 One may turn up the volume at work (9)
- 17 Make coarse growly barrump, initially, in French cathedral? (7)
- 18 Dali started with great numbers of meaningless drawings (7)
- 19 Joplin's style of Maigret mystery? (7)
- 22 Half of them odd, to drum incessantly (5)
- 24 Charlotte's first date arranged with young soldier (5)

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